RESOURCE ALLOCATION:

THE FORMAL PROCESS

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RESOURCE ALLOCATION:

THE FORMAL PROCESS

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Editor

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Preface

This is one of two texts produced by the National Security Decision Making Department that addresses executive decision-making in the U.S. Department of Defense.

Resource Allocation: The Formal Process presents the official resource allocation mechanisms used in the Pentagon. Its components are the Joint Strategic Planning System; the Planning, Programming, and Budgeting System; the Requirements Generation System; and the Defense Acquisition System. This text also addresses the federal budget process and the linkages between Congress and the Executive Branch in defense resource allocation decision making. Many Naval War College graduates will work with the formal process in future assignments. The *Resource Allocation* text provides a valuable overview of the processes, products, and people that make it work.

The second text, *Executive Decision Making,* addresses the skills needed to solve complex problems and make decisions encountered by senior leaders in defense organizations as they participate in the formal process described above. It includes a decision-making framework that is based on a rational thought process. Our thesis is that a systematic, structured approach to force planning problems is more likely to yield efficient, effective results than any other approach. *Executive Decision Making* also discusses how to approach risk and uncertainty. We emphasize the role of analysis in decision making and the role of the senior decision maker as a critical consumer of analysis. Finally, our framework acknowledges that we make few, if any, important defense decisions without reconciling differences among many important participants. Therefore, our framework is designed to help leaders decide, from their own perspective, how resources should be allocated, with an emphasis on reconciliation and consensus-building to create and implement workable solutions.

Dr. William C. Keller wrote the original version of this text, *The Defense Resource Allocation Process*, in 1988 while a Commander assigned to the National Security Decision Making Department at the Naval War College. The following is taken from the "Preface" of the 1988 edition:

> In order to contribute effectively in the national security environment, a defense executive should understand the structure of the process within which defense resource allocation decisions are made. At least, it is true that players in this complex game should know the rules and how it "all" fits together. One means of gaining this knowledge—and one might think a reasonable way—is to read about it. However, to my knowledge, and my initial chagrin, there is nothing written which describes the whole defense resource allocation process. In fact, there is little that is current and comprehensive on even PPBS. Given that the topic was important, it remained to describe it in writing, regardless of its complexity.

His original work, as updated, has long been the standard for the resource allocation curriculum at the Naval War College. This edition of *Resource Allocation: The Formal Process*, while written to fill the same void identified by Dr. Keller, is substantially different from the original

text and captures the innumerable changes of the last decade in the defense resource allocation process. The Department, however, will always be indebted to Dr. Keller for his original work.

Resource Allocation: The Formal Process is written so each chapter stands alone, allowing us to better present this complex process by examining its parts. We minimize the use of acronyms in the first chapter but use them extensively throughout the remainder of the text. It will be challenging, but important, to learn this new "language." We have "spelled out" the acronyms the first time they appear in each chapter and if you need to refresh your memory, refer to Appendix 4.

Each chapter is organized as follows:

- **Purpose**: This section offers a brief overview or executive summary of the system or process discussed in the chapter. This provides a framework that facilitates the assimilation of the more detailed information that follows.

- **Past**: The process is sometimes easier to understand if it is placed in historical context. Knowing how the system or process has evolved provides a comparative vantage point. This section will highlight the significant changes and the catalysts for those changes.

- **Process**: This section will tie the people and the products together to demonstrate the inner workings of the system—how the ideas, programs, or dollars flow, where key events occur, and where key decisions are made. It is a holistic view of the system or process being examined.

- **People**: Each system or process has a different hierarchical structure of oversight and various mixes of civilian and military participants. Knowing "who has a seat at which table" will enhance your ability to understand the system or process.

- **Products**: Whether calendar- or event-driven, documents are normally the output of these systems or processes. They may be used internally to the system or process, or to interact with other systems or processes.

- **Plug-in**: With an executive-level understanding of a particular system, the next step is to examine how it interacts with other components of the defense resource allocation process. We will offer those linkages in this section.

This text provides an executive-level overview of the defense resource allocation process. Though the process does not always work as described and there are many suggestions for how it might be improved, it is the purpose of this text to describe how the process is *intended* to work in accordance with Department of Defense and Chairman of the Joint Chiefs of Staff instructions and regulations. We are confident you will find this text valuable and we encourage you to revisit these materials as you progress in your careers. The most recent edition of the text is maintained on the Naval War College website (the internet address is located on the cover). We encourage you to provide feedback, suggestions to improve the text, or to engage us in whatever issues you face.

Chapter 1 Overview

Defense resource allocation is a multi-faceted, complex process and its output, combat capability, is an essential element of the U.S. National Security Strategy (NSS). There are many influences on decision makers involved in defining U.S. national interests and objectives, shaping the NSS to support those objectives, and choosing the military force structure to shape the environment in order to achieve those objectives. While the defense resource allocation process looks primarily at defining, acquiring, and maintaining resources needed for effective execution of the National Military Strategy (NMS), the process supports various elements of the political and economic strategies as well.

Purpose

We enjoy peace amid paradox. Yes, we're safer now from the threat of massive nuclear war than at any point since the dawn of the atomic age, and yet we're more vulnerable now to suitcase bombs, the cyber-terrorist, the raw and random violence of the outlaw regime.

Make no mistake: keeping America safe in such a world is a challenge that's well within our reach, provided we work now and we work together to shape budgets, programs, strategies and force structure to meet threats we face and those that are emerging, and also to meet the opportunities we're offered to contribute to peace, stability and freedom. But the changes we make in our defense posture, the innovations we introduce, take time to be made part of a great military force. We need to get about the business of making these changes now in order to remain strong, not just in this decade, but in decades to come.[1]

Donald H. Rumsfeld, Secretary of Defense

The formal process used in defense resource allocation is designed to address the "business of making changes to our military," which Secretary Rumsfeld describes above. Simply put, it is about how the Department of Defense (DoD) decides **what**, **when**, **how**, and **how much**; and, in order to reconcile DoD's decision with Congress and the American public, **why.** His concerns foreshadow the complexity of the defense resource allocation process that this text explores. The bottom line is that the formal process, and this text, are about decision making. As we delve into the formal process, you will begin to notice several overarching themes:

- Managing risk in an era of uncertainty and increased competition for limited resources.

- Balancing resources between near-term and long-term requirements.

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[1] Rumsfeld, Donald H., 26 January 2001 remarks delivered during his official welcoming ceremony at the Pentagon, Washington, D.C.

- Maintaining the proper balance of power between the civilian leadership and military warfighters in making resource allocation decisions.

- Determining the share of the federal budget the Administration and Congress should allocate to DoD, and the effects on other competing, non-DoD programs.

- Building consensus with participants both internal and external to DoD – the largest bureaucracy in the world.

Those involved in the defense resource allocation process use continuous assessments and countless analyses to better define requirements in order to allocate DoD resources effectively and efficiently in support of national security objectives. The process of translating the NSS into "available forces" involves several dynamic and interactive systems. Figure 1-1 depicts these systems in their most basic form. As we progress through the text, you will gain an executive-level understanding of the defense resource allocation process.
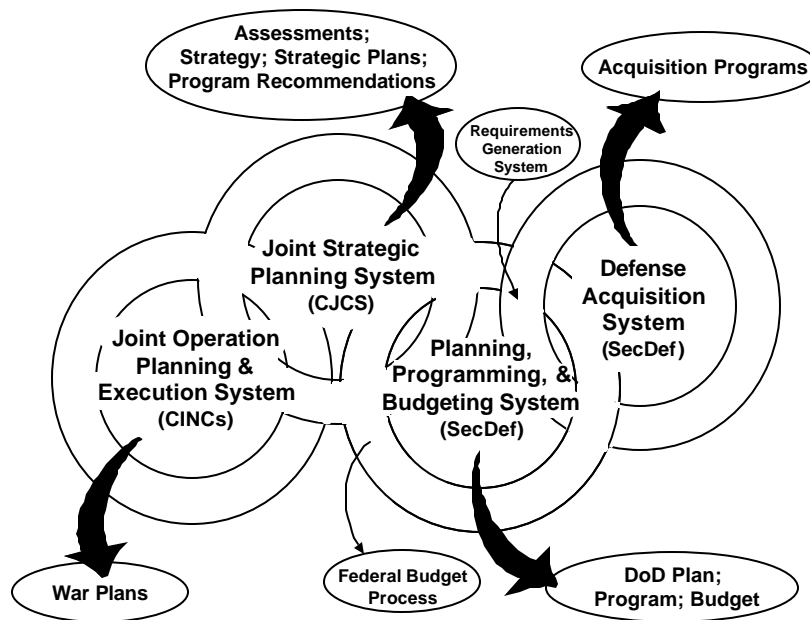
Figure 1-1. Defense Planning Interrelationships

The Joint Operation Planning and Execution System (JOPES) belongs to the combatant commanders (CINCs). JOPES transforms strategy, missions, and assigned forces into war plans through the deliberate planning process, and operation orders through the crisis action planning process. The Naval War College Joint Military Operations Department covers these aspects of JOPES. However, the deficiencies and risks identified during these processes have a direct affect on the allocation of defense resources.

The Chairman of the Joint Chiefs of Staff (CJCS) controls the Joint Strategic Planning System (JSPS). Chapter 2 discusses how the CJCS uses this system to systematically assess the

national security environment in order to evaluate current strategy and existing or proposed programs and budgets.

The Secretary of Defense uses the Planning, Programming, and Budgeting System (PPBS) to set programming priorities for DoD and track those programs through budget execution. Chapter 3 discusses this complex, calendar-driven system and explains how it contributes to defense resource allocation.

Chapter 4 explains the acquisition process, which includes the Requirements Generation System (RGS) and the Defense Acquisition System (DAS). This event-driven process starts with the identification of a requirement and ends with a fielded capability (weapons system or equipment) that satisfies that requirement.

Through this complex, yet rational, decision-making process, DoD recommends to the President the best mix of capabilities to support national objectives. Critical to the defense resource allocation process is the federal budget process. Congress must authorize programs and appropriate funds before DoD can execute those programs. We will examine the federal budget process in Chapter 5.

Past

From its founding until World War II the United States organized for defense in a simplistic manner. The Secretary of War (essentially the Secretary of the Army) and the Secretary of the Navy were both cabinet-level positions and worked directly for the President. Under this structure, integration only occurred when the two secretaries made the effort or the President took an interest. For the most part the two departments went about their business with no effort to coordinate their resource requirements; there was little need to do so.

After World War II and facing a new kind of open-ended conflict in the Cold War, our leadership recognized that many things had changed and the previous national security architecture could no longer deal effectively with the new security environment. Our leadership believed that to respond effectively to these new demands required much improved coordination of policy, intelligence, resource allocation, and military operations. These beliefs drove the planning and debate that led to the National Security Act of 1947. In addition to creating the Department of Defense ("The National Military Establishment") headed by the Secretary of Defense, the Act also established the National Security Council, the Central Intelligence Agency, and made the Air Force a separate service. The Joint Chiefs of Staff (JCS) had been in existence since 1942, but now received statutory sanction as the principal military advisers to the President and the Secretary of Defense. There was provision for a Joint Staff, but not for a chairman of the JCS. Though seven unified commands had been established in 1946, the Act placed their existence into law. The potential for more centralized defense activities was now in place, but the Secretary of Defense and the Joint Chiefs of Staff lacked the means to exercise the authority or influence over the services to make this potential a reality.

The National Security Act of 1947 made the JCS responsible for providing strategic direction for military forces and preparing joint logistics and strategic plans. In 1952 the JCS

published a policy memorandum that established the foundation for a systematic approach to their planning efforts. This policy, "Joint Program for Planning," prescribed a family of long-, medium-, and short-range plans. These plans were intended to guide research and development; guide force development; provide a basis for preparing service budgets; provide short-range guidance for weapons development; and guide the disposition, employment, and support of existing forces for three different contingencies. In 1968 the JCS renamed the Joint Program for Planning to its current title, the Joint Strategic Planning System (JSPS). Chapter 2 provides further detail on the evolution of the JSPS.

The power structure within DoD shifted when Robert S. McNamara became the Defense Secretary in 1960. He exploited the potential created by the National Security Act of 1947 by significantly increasing the size of his staff and by instituting a new process for developing an integrated defense program and budget. The Planning, Programming, and Budgeting System (PPBS) introduced to DoD in 1962 remains the centerpiece of defense resource allocation. Chapter 3 provides further detail on the evolution of the PPBS.

There was a growing concern in the early 1980's that the civilian leadership was not getting effective advice from the JCS. Many judged the joint chiefs' advice too diluted by consensus and not reflective of the concerns of the warfighters (CINCs). The National Defense Reorganization Act of 1986, better known as the Goldwater-Nichols Act (GNA), was intended to solidify civilian control by providing for more effective military advice. This Act gave the CJCS a more powerful role in the determination of military strategy and the resources that support that strategy. In addition to increasing the influence of the CJCS, the GNA mandated that the process become more responsive to the needs of the CINCs. This included both a redistribution of power within DoD and a subtle shift of influence between civilian and military leadership. Aspects of the effects of the GNA are highlighted in Chapters 2 and 3.

The need, or at least the desire, to reform the acquisition process has been the subject of numerous studies and initiatives since 1947. From the Rockefeller Report of 1953 to the SecDef's Defense Reform Initiative of 1997, recurring themes have prevailed, i.e., reduce redundancy; increase effectiveness and efficiency; better identify how to exploit potential joint capabilities; and increase timeliness between mission need identification and system fielding. Though many of these efforts have resulted in reform, the acquisition process enjoys no watershed event such as the introduction of the PPBS or the GNA. Chapter 4 provides further detail on how the acquisition process has changed in response to these recommendations.

Changes to the federal budget process have also had a dramatic affect on the defense resource allocation process. Chapter 2 includes a review of the impact of legislation mandating the Quadrennial Defense Review. Congress passed the Gramm-Rudman-Hollings Act of 1985, the Budget Enforcement Act of 1990, and the Balanced Budget Act of 1997 in an effort to control deficit spending. The resultant scrutiny of defense programs in search of the elusive "peace dividend" has been challenging. We will discuss these pressures on defense spending in Chapter 5.

The more significant legislative mandates and DoD reorganizations of the last fifty years have attempted to refine the defense resource allocation process to make it more responsive to the changing global environment, and to correct perceived imbalances of power among the key participants and organizations in DoD. Subsequent chapters will offer more detail on the changes

that have affected the system or process under review. In short, it is important to study the evolution of the defense resource allocation process in order to debate the current issues and begin to formulate solutions to systemic problems.

Process

We use several diagrams throughout the text to help explain the specifics of a particular system or process. In each case, we will explain the basics, and then continue with a more detailed discussion of the process. We will accomplish this by showing where the documents fit in the diagram; describing how the documents are used both internally and externally in the formal process; and how and where the individuals and organizations influence the process. While we have made every attempt to stay out of the "weeds," some concepts require greater depth of review to fully understand the process. The diagrams will help keep you focused on the big picture.

Joint Strategic Planning System (JSPS)

The JSPS is the Chairman of the Joint Chiefs of Staff's (CJCS's) mechanism for discharging his Congressionally mandated responsibilities as principal military advisor to the President and Secretary of Defense (SecDef). Although not a part of the JSPS, the CJCS also uses the Joint Requirements Oversight Council (JROC) and the Joint Warfighting Capabilities Assessment (JWCA) process to support the decisions and recommendations of the JSPS. Figure 1-2 depicts the basics of the JSPS. Each aspect of JSPS – strategic assessment, strategic direction, strategic plans, and programming advice – is associated with a CJCS Title 10, U.S. Code, responsibility.
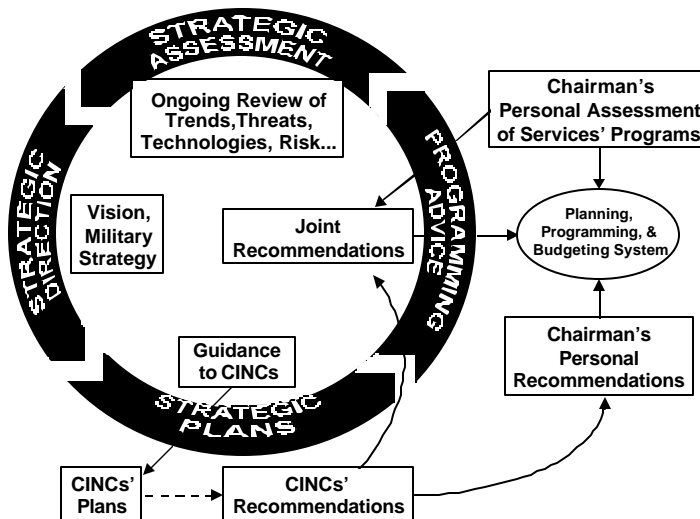
Figure 1-2. Joint Strategic Planning System

Assessment is ongoing and underpins all of the documents generated by the JSPS. The National Military Strategy and Joint Vision establish the strategic direction for the planning guidance the CJCS provides the Commanders in Chief (CINCs) so they can develop their operational plans.

In the process of developing and exercising these plans, the CINCs identify deficiencies and opportunities that are inserted into the JSPS, and thus contribute to the recommendations that become advice to the SecDef to assist his planning process.

Planning, Programming, and Budgeting System (PPBS)

The PPBS provides a systematic structure to develop a defense strategy, translate that strategy into the specific defense programs needed to achieve the strategy, and then accurately determine what those programs will cost. Figure 1-3 shows the basic flow of the PPBS cycle. Through the JSPS and its products, the CJCS provides the SecDef with planning and programming advice. The SecDef considers this advice, along with inputs from the CINCs, the services, Department of Defense (DoD) agencies, and his own staff, then develops his guidance to the services and DoD agencies. Based on this guidance from the SecDef, each of the services and DoD agencies develop and propose a program that contains the requirements they consider necessary to perform their roles and missions. The SecDef, through the Defense Resources Board (DRB) and with further advice from the CJCS, reviews these programs and directs necessary adjustments. The services adjust their programs to reflect the SecDef's decisions, and then translate the approved programs into budget estimates (BESs). After a series of budgetary reviews and further adjustments, the SecDef submits the DoD's budget proposal to the President.
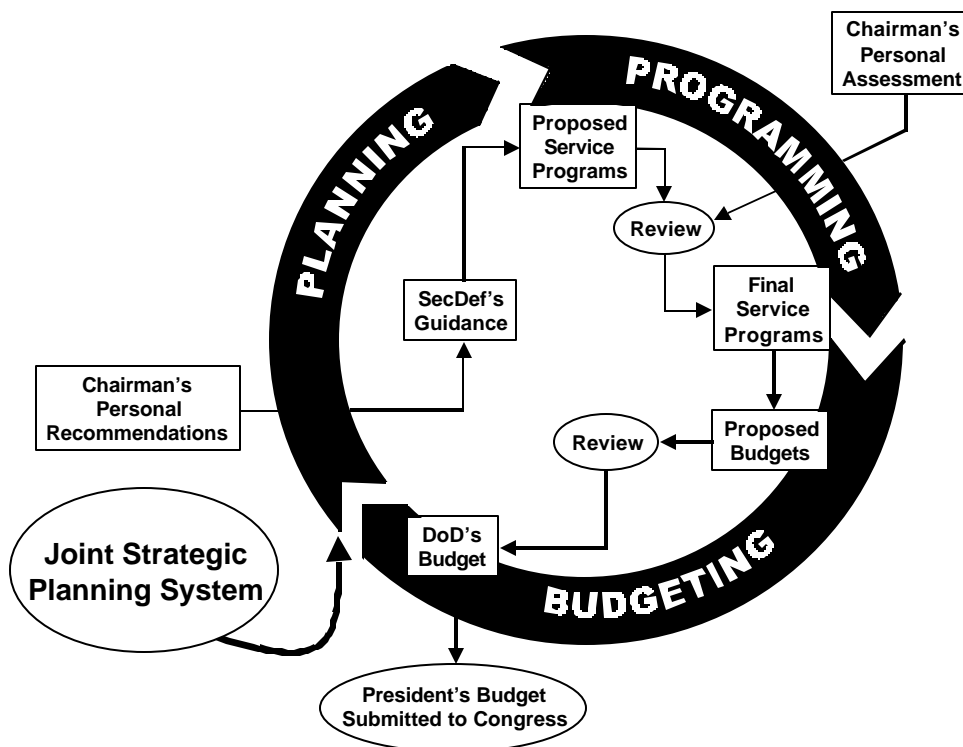
Figure 1-3. Planning, Programming, & Budgeting System

Acquisition Process

The acquisition process represents the interaction of the Requirements Generation System (RGS), the Defense Acquisition System (DAS), and the Planning, Programming, and Budgeting System (PPBS). Within the RGS the JROC reviews deficiencies identified by the CINCs or the services and validates that a materiel solution is required. The interface between the RGS and DAS occurs when the JROC submits an approved mission need statement to the Defense Acquisition Board (DAB). The DAB approves the requirement and shepherds it through the phases of the DAS until it becomes a fielded system. Figure 1-4 illustrates this process.
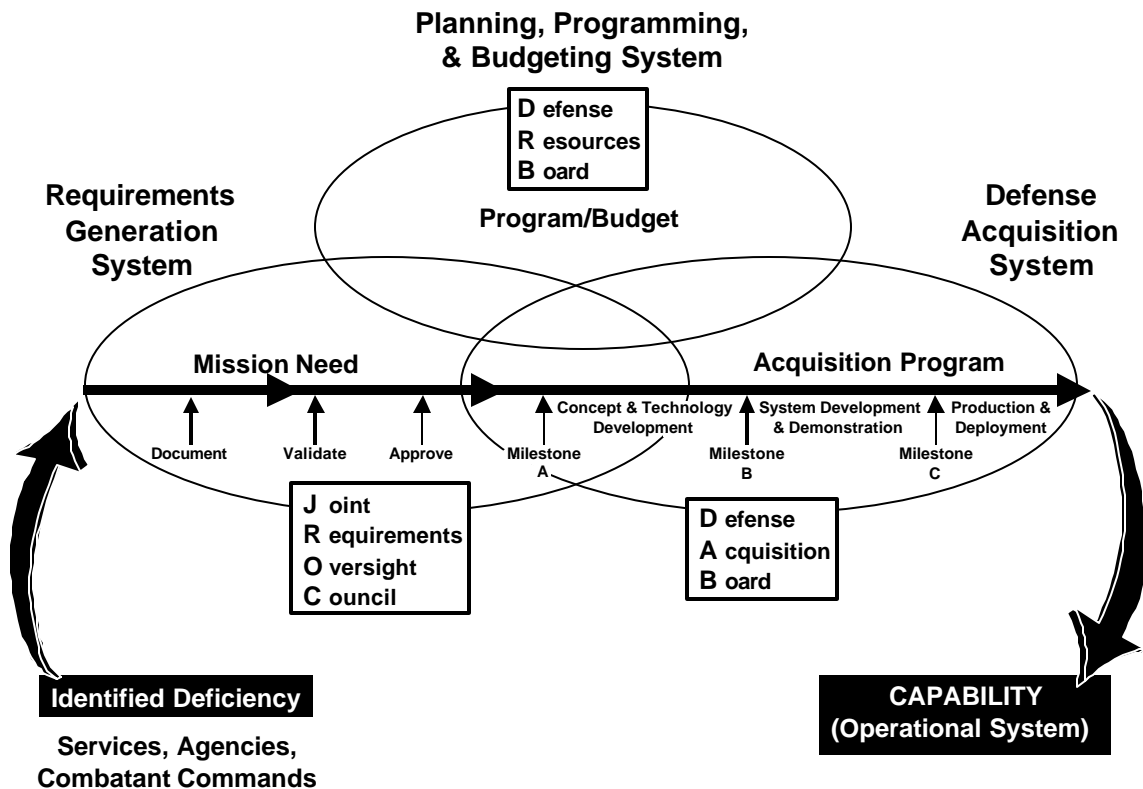
Figure 1-4. Interface of the Requirements Generation System; Defense Acquisition System; and Planning, Programming, & Budgeting System

The Vice Chairman of the Joint Chiefs of Staff (VCJCS) is both the JROC chairman and the vice chairman of the DAB. As member of the DAB, the VCJCS ensures the needs of the warfighters are emphasized throughout the acquisition process. The DAS is a complex, systematic review of an acquisition program from concept development through the support of a fielded system. Figure 1-5 depicts the milestones and phases the DAB uses to evaluate and manage major defense acquisition programs. The milestones are decision points at which the DAB assesses the cost, performance, and schedule to determine if the program should proceed to the next phase. Prior to each DAB milestone review, the JROC reviews the program to ensure the mission need requirements are met.

Technology Opportunities & User Needs

Defense System

Milestone A

Entrance into the Defense Acquisition System can occur at multiple points depending on the maturity of the concept or the technology

What are the alternatives for meeting the requirement?

What alternative is most feasible scientifically and technically?

Concept & Technology Development

Milestone B

Milestone C

Production & Deployment

What is the best plan for production and fielding?

System Development & Demonstration

How should the concept be designed and manufactured?

Figure 1-5. Defense Acquisition System: Milestones & Phases

JROC/JWCA Process

The Joint Requirements Oversight Council and the Joint Warfighting Capabilities Assessment process support all aspects of defense resource allocation. Figure 1-6 is used throughout the text to emphasize how they support the process.

JROC: Joint Requirements Oversight Council
JWCA: Joint Warfighting Capabilities Assessment

Joint Strategy Planning System

Acquisition Process

JROC JWCA

Planning, Programming, & Budgeting System
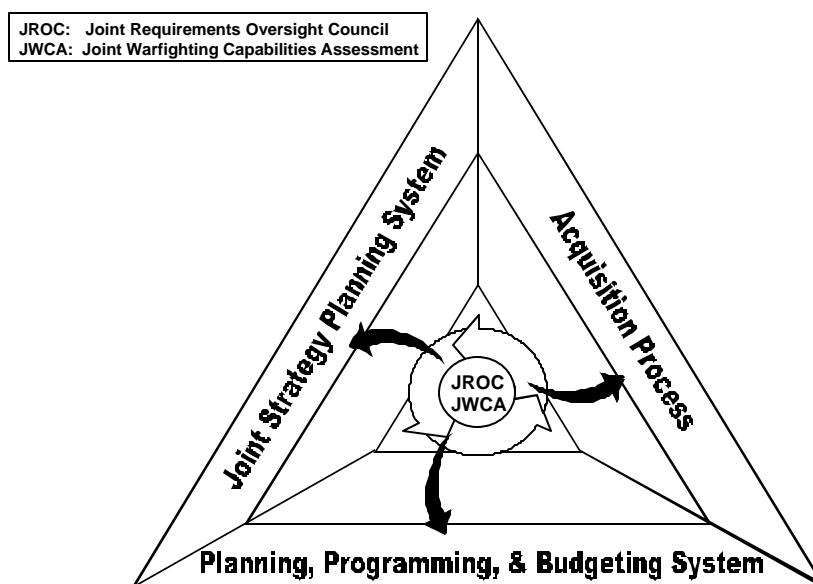
Figure 1-6. JROC/JWCA Support

CINC Influence

You should begin to sense that the CINCs have substantial influence on the defense resource allocation process. Figure 1-7 depicts where and how the CINCs can enter the debate.[2] Each chapter will emphasize the role of the CINCs in shaping resource allocation decisions.
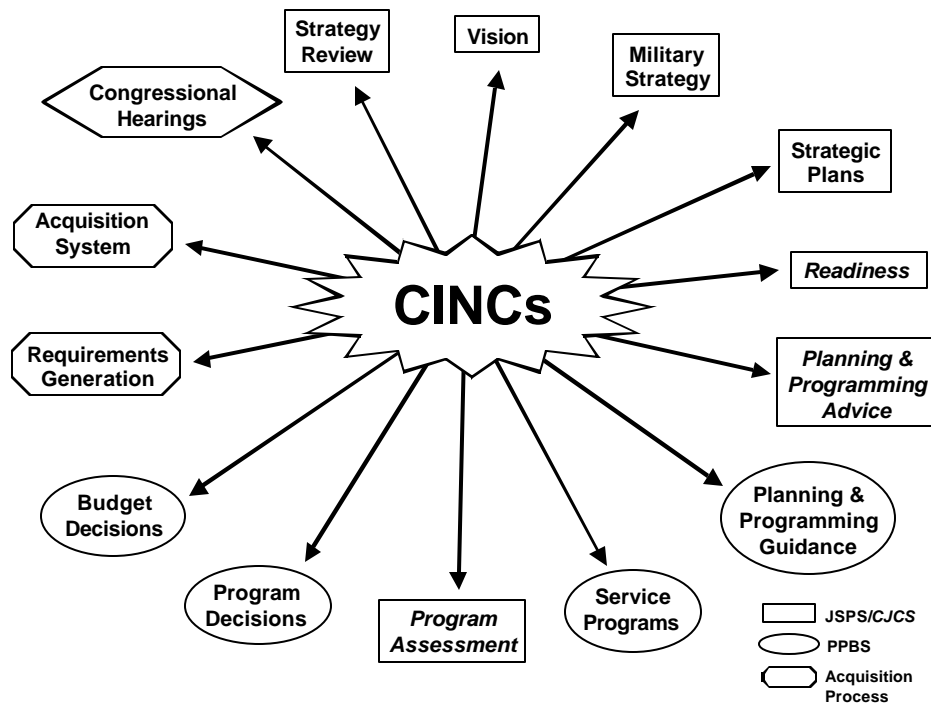
Figure 1-7. CINCs' Influence

Federal Budget Process

The federal budget process has four phases:

- Formulation. For the DoD, the defense resource allocation process is formulation-- preparing the input to the President's Budget.

- Enactment. Congress authorizes programs and appropriates money for those programs via a series of bills produced by a committee structure. These bills become law when signed by the President.

- Execution. Once a bill is signed, DoD has authority to obligate funds to execute programs.

- Review and Audit. DoD is audited by internal and external agencies to ensure proper execution of the programs and adherence to the law.

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[2] National Defense University, *Joint Forces Staff College Pub 1: The Joint Staff Officer's Guide 2000*, Norfolk, VA, 2000, http://www.jfsc.ndu.edu (click on the Joint Staff Officer's Guide link to gain access to JFSC Pub 1).

People

We will discuss the individuals and organizations that influence the defense resource allocation process because it is important to recognize the power relationships in each aspect of the process. Figure 1-8 shows the formal command relationships among the participants in the U.S. national security organization. The chart displays the "warfighting" chain of command. The clear division of command and control is critical during crisis action. However, this division creates natural tensions between the CINCs and services as far as balancing near-term (CINC) and long-term (service) requirements. As you will discover in the following chapters, each system has its own unique hierarchy for making resource allocation decisions. Appendix 1 provides additional detail on the organization of the various departments and agencies in DoD.
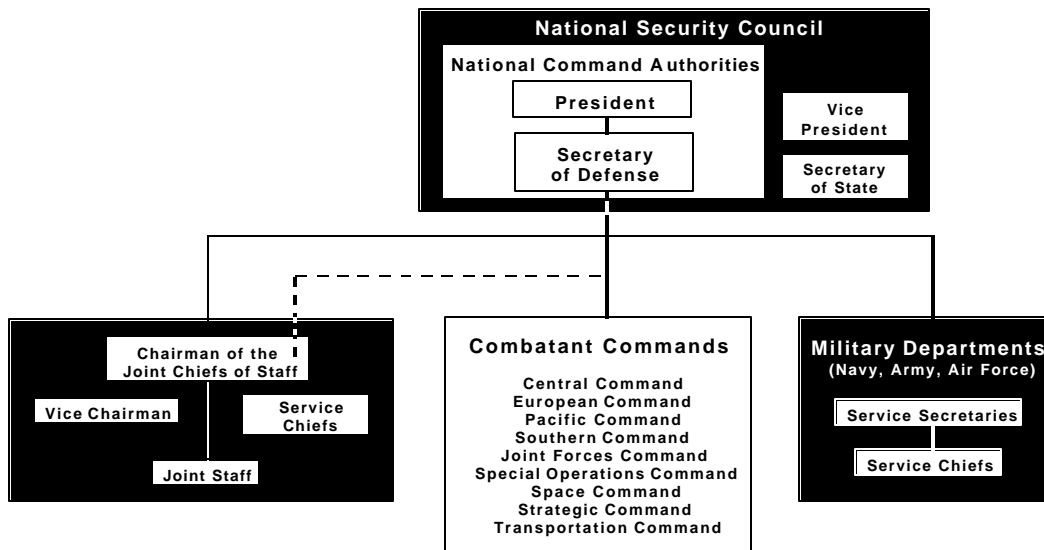
Figure 1-8. National Security Organization

The SecDef and CJCS use a collective of boards and councils to assist in making resource allocation decisions. The membership includes a cross section of civilian and military functional expertise to best balance near-term and long-term requirements. Figure 1-9 shows the composition of the three key forums in the defense resource allocation process. The forums and their members are discussed in more detail in Chapters 2, 3, and 4.

	Defense Resources Board	Defense Acquisition Board	Joint Requirements Oversight Council
Chairman	DepSecDef	USD (AT&L)	VCJCS
Vice Chairman	CJCS	VCJCS	
Executive Secretary	Director, PA&E	Dep. Director, ASM	Director, J-8
Members (Others may participate at the request of the chairman of each respective board.)	Service Secretaries VCJCS USD (AT&L) USD (Policy) USD (Comptroller) USD (P&R)	USD (Comptroller) ASD (S&TR) ASD (C3I) Director, OT&E CAEs (Navy, Army, & Air Force) OIPT Leader PEO PM	VCNO ACMC VCofS Army VCofS Air Force

ACMC:	Assistant Commandant of the Marine Corps	**JROC:**	Joint Requirements Oversight Council
ASD:	Assistant Secretary of Defense	**OIPT:**	Overarching Integrated Product Team
ASM:	Acquisition Systems Management	**OT&E:**	Operational Test & Evaluation
AT&L:	Acquisition, Technology, & Logistics	**PEO:**	Program Executive Officer
CAE:	Component Acquisition Executive	**PM:**	Program Manager
CJCS:	Chairman of the Joint Chiefs of Staff	**P&R:**	Personnel & Readiness
C3I:	Command, Control, Communications, & Intelligence	**S&TR:**	Strategy & Threat Reduction
		USD:	Under Secretary of Defense
DAB:	Defense Acquisition Board	**VCJCS:**	Vice Chairman of the Joint Chiefs of Staff
DRB:	Defense Resources Board	**VCNO:**	Vice Chief of Naval Operations
J-8:	Force Structure, Resources, & Assessment Directorate (Joint Staff)	**VCofS:**	Vice Chief of Staff

Figure 1-9. Resource Allocation Oversight

The GNA greatly increased the role of the CJCS in resource allocation and mandated that the process address the requirements of the CINCs at each key juncture. The CJCS enhanced the role of the Joint Requirements Oversight Council (JROC) and established the Joint Warfighting Capabilities Assessment (JWCA) process to assist in responding to this mandate. The Vice CJCS (VCJCS), as chairman of the JROC, has significant influence on resource decisions. Chapter 2 discusses how the CJCS uses all aspects of the JSPS to assist in fulfilling the responsibilities of principal military advisor to the President and the SecDef.

The SecDef uses the Defense Resources Board (DRB) as the "board of directors" for resource allocation. You will learn that the DRB is the arbitrator for all PPBS issues. As vice chairman of the DRB, the CJCS balances civilian oversight with military expertise. The services also have a lot of influence in the PPBS as builders of the Program Objective Memoranda (POMs). Chapter 3 addresses the other participants in the dynamic, calendar-driven PPBS.

Chapter 4 describes the inherent tension between the Requirements Generations System (RGS); the Defense Acquisition System (DAS); and the Planning, Programming, and Budgeting Systems (PPBS). What needs to be done (RGS), what can be done (DAS), and what can be funded (PPBS) are never exactly in harmony. The JROC oversees the RGS. The Defense Acquisition Board (DAB), chaired by the Under Secretary of Defense for Acquisition, Technology, and Logistics, with the VCJCS as vice chairman, oversees the DAS. Disconnects among the three systems are brought before the DRB for resolution.

Products

Knowing the people and organizations involved in defense resource allocation makes it easier to understand the products used within the individual systems. Figure 1-10 is the template we will use throughout the text to depict the interrelationships among key documents. In this diagram the documents are labeled in descriptive terms. In subsequent chapters, the descriptive titles will be converted to the documents' technical titles.
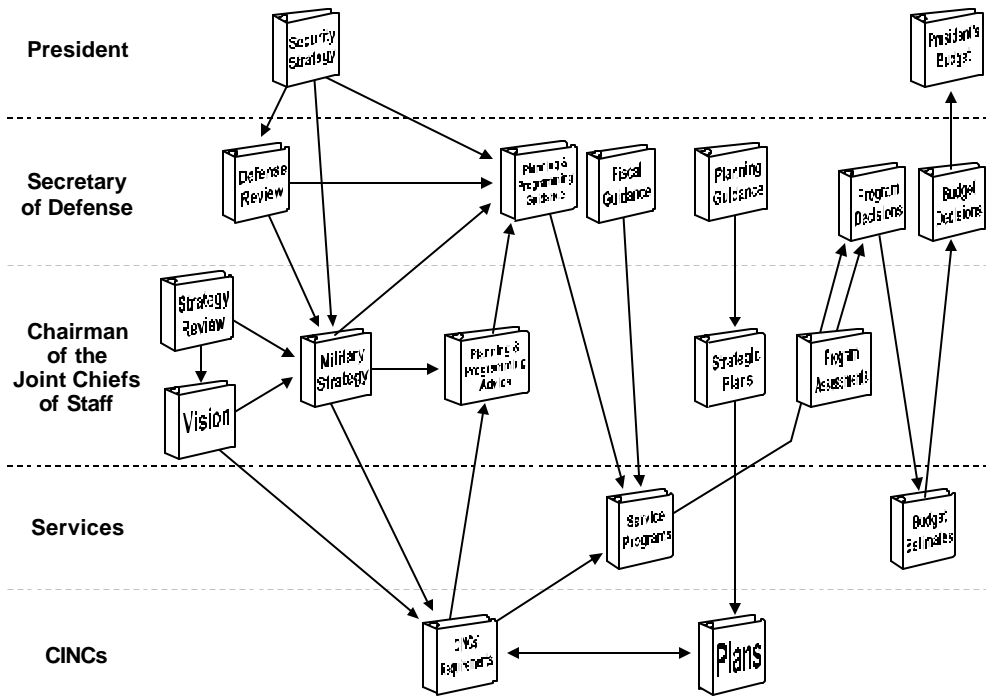
Figure 1-10. Resource Allocation Documents

Reference to this figure will help you keep clear the documents and their interrelationships. An understanding of the "people" and the "products" is critical to comprehending the complexity of the "process."

Plug-in

As we examine each of the components that form the defense resource allocation process, it is critical to understand how they interface and interact – none functions in isolation. We will use two primary diagrams to illustrate the interrelationships. Figure 1-11 displays the descriptive titles of key documents and phases of the systems. You will become more comfortable with the importance of each document and how they interact as we progress through the text.
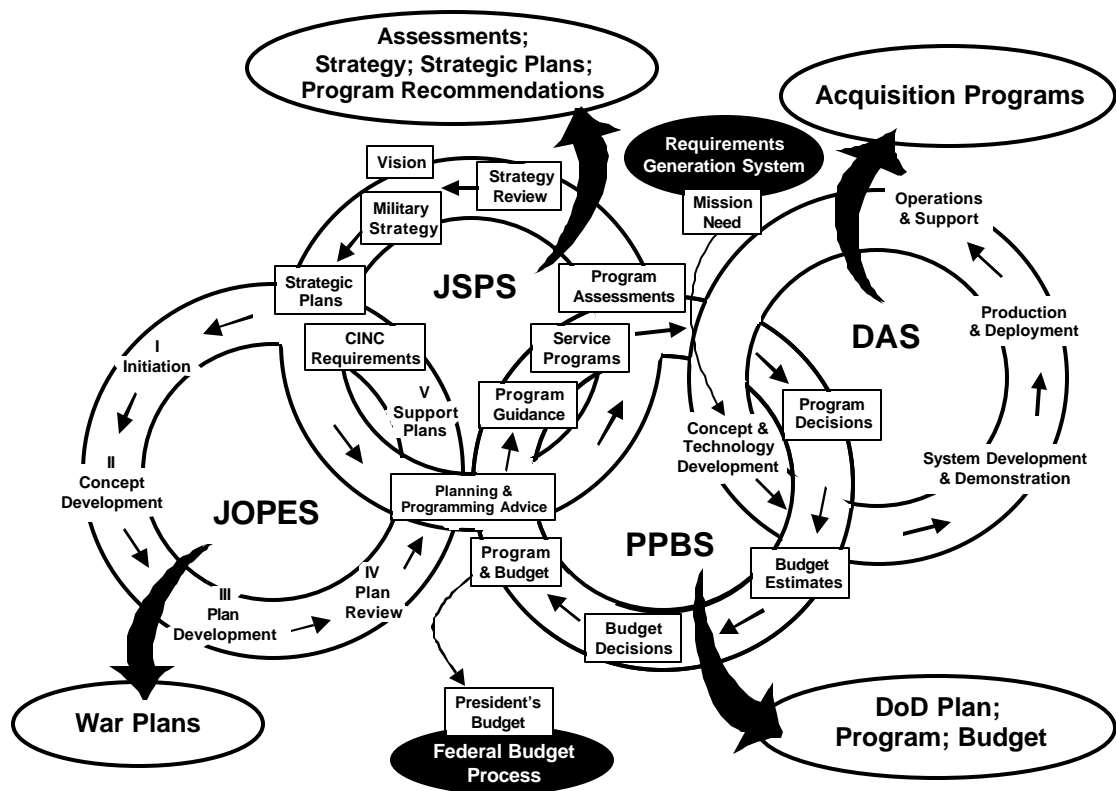
Figure 1-11. Defense Planning Interrelationships

CINC:	Commander-In-Chief	**JOPES:**	Joint Operation & Execution System
DAS:	Defense Acquisition System	**JSPS:**	Joint Strategic Planning System
DoD:	Department of Defense	**PPBS:**	Planning, Programming, & Budgeting System

Figure 1-12 displays most of the same basic documents in relationship to the calendar-driven PPBS and the federal budget process. No matter how great the risk (JSPS), or how capable the program (DAS), if there are not dollars in the President's Budget to fund the program, duly approved by Congress, there is no program.

Resource Allocation Calendar Events

	ODD	EVEN	ODD
	J F M A M J J A S O N D	J F M A M J J A S O N D	J F M A M J J A S O N

President of the U.S.: Security Strategy; Submit Budget; Sign Budget; Security Strategy; Submit Budget; Sign Budget; Security Strategy; Submit Budget; Sign Budget

Secretary of Defense: Defense Review; Program Guidance; Program Decisions; Budget Decisions; Strategic Planning Guidance; Program Guidance; Program Decisions; Budget Decisions; Program Guidance; Program Decisions; Budget Decisions

Chairman, JCS, Joint Staff: Military Strategy; Vision; Strategy Review; Strategy Review; Strategic Plans; Strategy Review

JROC/JWCAs: Planning & Programming Advice; Program Assessment; Planning & Programming Advice; Program Assessment; Planning & Programming Advice; Program Assessment; Joint Warfighting Capabilities Assessment & Review

Services: Service Programs; Budget Estimates; Service Programs; Budget Estimates; Service Programs; Budget Estimates

CINCs: Integrated Priorities; Plans; Integrated Priorities; Integrated Priorities; Plans

Congress: Budget Resolution, Authorization, & Appropriation; Budget Resolution, Authorization, & Appropriation; Budget Resolution, Authorization, & Appropriation

Figure 1-12. Resource Allocation Calendar Events

After examining the formal process, you will have a working understanding of the participants, documents, and processes that comprise U.S. defense resource allocation. Each chapter details a system or process and explains how it fits into the grand scheme. In the end, you should come away with a better comprehension of how DoD makes decisions that produce the military capabilities necessary to support U.S. national security.

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Chapter 2
Joint Strategic Planning System

The Joint Strategic Planning System (JSPS) provides a strategic foundation for all Department of Defense (DoD) planning. Figure 2-1 shows how the JSPS interacts with other defense planning systems. Do not try to absorb all of the information depicted in the diagram; use it to appreciate that the defense resource allocation process is complex, highly interactive, and that the JSPS is an integral part of the process. This chapter will give you a working understanding of the JSPS and how it contributes to the allocation of defense resources. When you see this diagram at the end of the chapter, it will not be as intimidating.
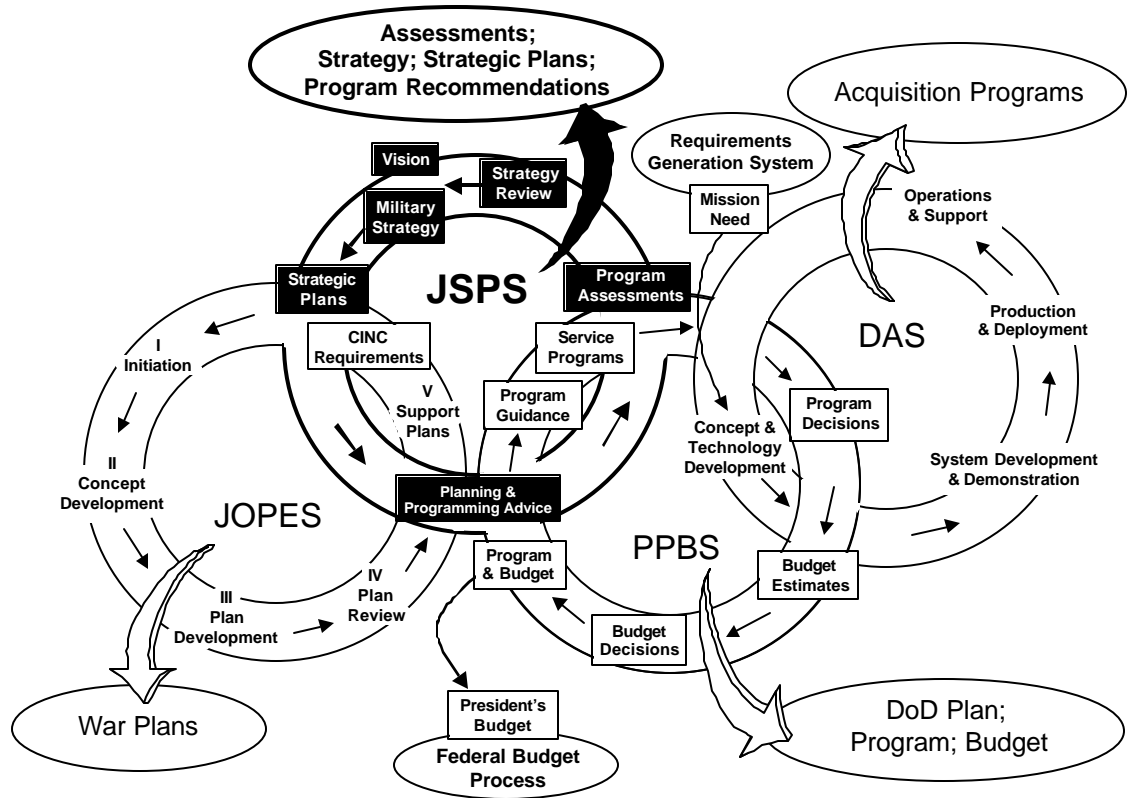
Figure 2-1. JSPS: Strategic Foundation

CINC:	Commander-In-Chief	**JOPES**:	Joint Operation & Execution System
DAS:	Defense Acquisition System	**JSPS**:	Joint Strategic Planning System
DoD:	Department of Defense	**PPBS**:	Planning, Programming, & Budgeting System

Purpose

The JSPS is the planning system used by the Chairman of the Joint Chiefs of Staff (CJCS) to systematically study the national security environment and U.S. national security objectives. The JSPS assesses threats, opportunities, and risk, and uses these assessments to evaluate current strategy and existing or proposed programs and budgets. The result of this process is to develop the military strategy, forces, and programs necessary to achieve our national security objectives in a resource-limited environment at an acceptable level of risk.[1]

The JSPS provides a disciplined means to develop and organize the advice the CJCS provides to the Secretary of Defense (SecDef) and the President. It is a flexible system intended to interact with the other components of the defense resource allocation process. The JSPS integrates the nation's military strategy, resource needs, and operational plans.

The JSPS is the primary, formal means by which the CJCS, in consultation with the other members of the Joint Chiefs of Staff (JCS) and the combatant commanders (CINCs), carries out the planning and policy responsibilities prescribed in Section 153(a), Title 10 of the U.S. Code.[2] These statutory responsibilities require the CJCS to:

- Perform *assessments* supporting the development of advice and assistance to the National Command Authority (NCA).

- Assist the NCA in providing for the ***strategic direction*** of the armed forces.

- Prepare ***strategic plans***.

- Provide advice regarding ***program recommendations and budget proposals*** in conformance with priorities established in strategic plans and by the CINCs.

Keep these four responsibilities in mind; we use them to organize the material presented in this chapter.

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[1] Chairman of the Joint Chiefs of Staff (CJCS), *Joint Strategic Planning System*, CJCSI 3100.01A (Washington, DC: 1 September 1999, http://www.dtic.mil/doctrine/jel/cjcsd/cjcsi/3100_01a.pdf). This CJCS Instruction provides joint policy and guidance on, and describes the responsibilities and functions of, the Joint Strategic Planning System. Many of the phrases and descriptions used in this chapter are from this source document.

[2] *U.S. Code*, http://www4.law.cornell.edu/uscode. This website lists the laws in force as of January 1998. Those that pertain to *U.S. Armed Forces* are found under Title 10, those that pertain to *National Defense* are found under Title 50. A detailed listing of U.S. Codes that affect defense resource allocation can be found in Appendix 2 of this textbook.

Past

The National Security Act of 1947 created the National Military Establishment, later renamed the Department of Defense. Title II of the Act established four agencies within DoD: the War Council, the Munitions Board, the Research and Development Board, and the Joint Chiefs of Staff. Though an ad hoc JCS had been created during World War II to organize the services to fight, it now had statutory sanction as the principal military advisers to the President and the Secretary of Defense.

The 1949 amendments to the National Security Act provided for a chairman to preside over the Joint Chiefs, but gave him no vote. These amendments also increased the size of the Joint Staff from 100 to 210 officers. The 1958 Reorganization Act elevated the status of the Chairman of the Joint Chiefs of Staff (CJCS) and ensured him a vote in JCS decisions. The JCS took over staff direction of the unified and specified commands from the services. The reorganization also designated the JCS as a separate entity from the Office of the Secretary of Defense and affirmed their separate access to the President. The Joint Staff was doubled in size and restructured with directorates – J-1 through J-6 – replacing a variety of groups and committees.

The joint planning process has evolved considerably since the Joint Chiefs of Staff established the Joint Program for Planning in 1952 (renamed as the Joint Strategic Planning System in 1968). This precursor process was the first effort by the JCS to systematically approach their planning responsibilities. It called for the development of a series of long-, medium-, and short-range plans designed to guide research and development; force planning; weapons procurement; budget preparation; and the disposition, employment, and support of existing forces. Inter-service tensions made the development of these plans difficult and diminished their influence on the allocation of resources. Over the next three decades, executive and legislative action, as well as efforts within DoD, attempted to improve the joint planning process. These efforts were intended to make the process more responsive to the combatant commanders and to better ensure a coordinated, balanced, and effective military force that supported the national strategy. These efforts proved to have limited success and a general dissatisfaction with the process persisted.

In the early 1980s, a significant defense reform movement arose that culminated in the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (GNA). This legislation clarified and expanded the authority and responsibilities of the Chairman. Two of the many results of the GNA were the evolution of the Joint Requirements Oversight Council (JROC) and the decision to establish the Joint Warfighting Capabilities Assessment (JWCA) process. The JROC and the JWCA process assist the CJCS in prioritizing joint military requirements in order to execute the national military strategy. Through a succession of governing directives, the JCS have further revised and streamlined the system. These changes have improved the Chairman's ability to discharge strategic planning responsibilities and make an important contribution to the defense budgeting and war-plan generating processes.

Process

JSPS provides the mechanism whereby CJCS discharges Congressionally mandated requirements contained in Title 10 of the U.S. Code. Recall that there are four aspects to the JSPS, each associated with a Title 10 responsibility: **strategic assessment, strategic direction, strategic plans, and programming advice.** Our discussion of the process will build on these aspects of the JSPS.

Though the JSPS is not a truly cyclic process in which one aspect has a distinct beginning and end before the next aspect begins, there is a logical flow within the process from one aspect to another. In our earlier discussion of the documents, we saw a fairly clear progression in which one document (such as the Joint Vision or the NMS) provides the foundation for formulating or revising other documents. The JPD and CPR establish a direct link with the PPBS and are calendar-driven due to the nature of the budget cycle. Figure 2-2 illustrates the logical flow or progressive nature of the JSPS. This basic diagram will be expanded as we discuss each aspect of the JSPS.
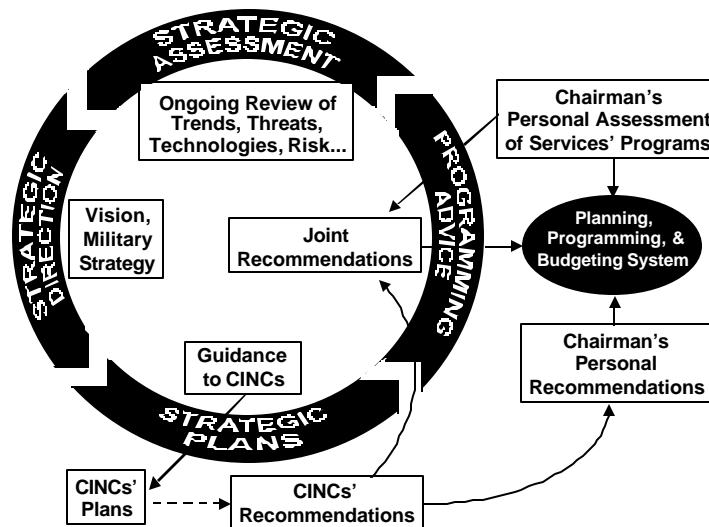
Figure 2-2. JSPS: The Basic Process

Strategic Assessment

Assessment is at the heart of the JSPS because it supports the other aspects of this system. It allows the CJCS to develop the direction, guidance, and advice upon which all subsequent planning is based. These assessments are continual and focus on those areas specifically identified in Section 153(a) of Title 10:

- Assessing the ability of the NMS to achieve national security objectives.

- Assessing the ability of the strategic and theater plans to accomplish the objectives of the NMS.

2-4

- Assessing the capabilities of the U.S. armed forces to accomplish the tasks and requirements of the strategic plans.

- Assessing the capabilities of the U.S. armed forces and its allies compared to the capabilities of potential adversaries.

- Assessing the preparedness (readiness) of each of the CINCs to carry out their assigned missions.

- Assessing how well the annual program recommendations and budget proposals of the military departments and other components of DoD for a fiscal year conform to SecDef's guidance and with the priorities of the CINCs.

The JSPS assessments are accomplished and consolidated by the Joint Net Assessment (JNA) process. The JNA encompasses the assessment efforts of the Joint Strategy Review (JSR) process, which is part of the JSPS, the Chairman's Readiness System (CRS), and the JWCA process, which are closely coordinated with and support JSPS assessment efforts. Figure 2-3 illustrates the strategic assessment component of the JSPS.
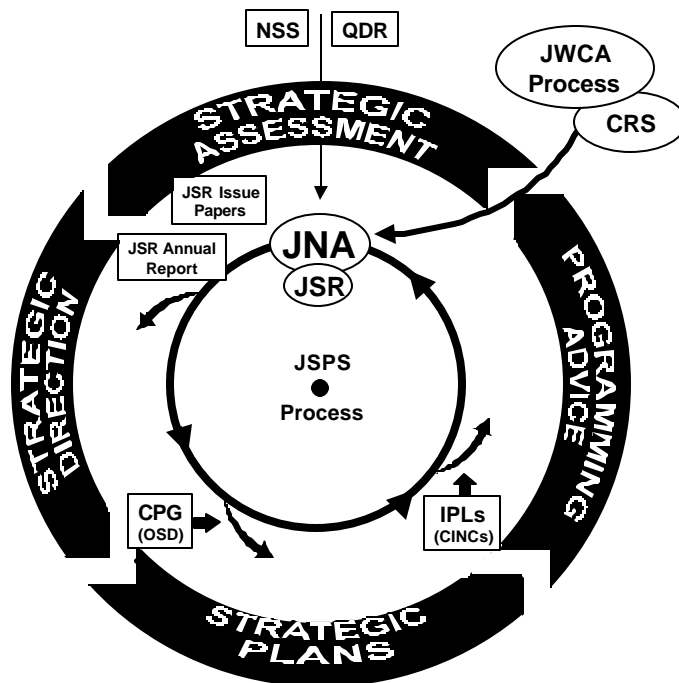
Figure 2-3. JSPS: Strategic Assessment

CINC: Commander-In-Chief	**JSR**: Joint Strategy Review
CPG: Contingency Planning Guidance	**JWCA**: Joint Warfighting Capabilities Assessment
CRS: Chairman's Readiness System	**NSS**: National Security Strategy
IPLs: Integrated Priority Lists	**OSD**: Office of the Secretary of Defense
JNA: Joint Net Assessment	**QDR**: Quadrennial Defense Review
JSPS: Joint Strategic Planning System	

Joint Net Assessment (JNA)

The JNA process is the overall assessment package of the JSPS. It is the accumulation of all assessments conducted within the Joint Staff and those done external to the JSPS. Generally, the JNA process draws upon the JSR and JWCA processes; in sum, it reviews both current and future force capabilities relative to national security objectives, strategic plans, and potential adversaries. It provides a strategic-level risk assessment and the basis for evaluating risk associated with alternative strategies and force structures. Beyond the JSR and JWCA, the JNA process draws from a number of different sources that include war games, simulations, and studies conducted by the JCS, CINCs, services, and DoD agencies. As a minimum, a net assessment is published every four years and coincides with the SecDef's QDR. Additional net assessments can result from significant changes in the security environment, emerging threats, or at the direction of the NCA. As you can see in Figure 2-3, the JNA process is constantly assimilating information and is the basis for generating changes in strategic direction, strategic plans, and programming advice; therefore, it facilitates the integration of all aspects of the JSPS.

Joint Strategy Review (JSR)

The JSR is the primary means for the JCS to examine the strategic environment for indicators that point to needed changes in the military strategy. It is a continuous process that validates a common set of planning assumptions and provides a common reference point used by other Joint Staff processes such as the JWCA. The JSR examines current, emerging, and future threats; strategic assumptions; opportunities; technologies; organization; doctrinal concepts; force structures; military missions; and resource constraints. The results of the JSR are documented in JSR Issue Papers and the JSR Annual Report. The Annual Report recommends changes to the NMS and the Joint Vision, and also affects the formulation of the NSS and JPD.

Chairman's Readiness System (CRS)[3]

The CRS assists the CJCS in meeting his Title 10 responsibility to evaluate the readiness of military forces. It is designed to provide DoD leadership a current, macro-level assessment of the military's readiness to meet the demands of the NMS as assessed by the CINCs, services, and Combat Support Agencies (CSA)[4]. This system gives visibility to the traditional readiness status of units provided by the services as well as the CINCs' ability to integrate and synchronize assigned forces to accomplish their assigned JSCP missions.

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[3]CJCS, *Chairman's Readiness System*, CJCSI 3401.01B CH-1 (Washington, DC: 19 June 2000, http:/www.dtic.mil/doctrine/ jel/cjcsd/cjcsi/3401_01b.pdf). This CJCS Instruction establishes uniform policy and procedures for assessing and reporting the current readiness of the U.S. Armed Forces in the Joint Monthly Readiness Review.

[4]Combat Support Agency (CSA): The **Defense Agencies**, authorized by the Secretary of Defense pursuant to the provisions of Title 10, United States Code, perform selected support and service functions on a Department-wide basis; Defense Agencies that are assigned wartime support missions are designated as Combat Support Agencies. CSAs provide assessments in applicable joint readiness functional areas to the JS, J-3. They also assist CINC staffs in assessing readiness of functional areas in which the agency has specific expertise. See CJCSI 3401.01B CH-1 Enclosure D for further details. Also see Appendix 4 for a brief description of each CSA.

The Joint Monthly Readiness Review (JMRR) is the central component of the CRS and provides the Chairman with a broad assessment of current military readiness to fight across the tactical, operational, and strategic levels of war. The VCJCS chairs the JMRR. Service Vice Chiefs, Joint Staff Directorates, CINC liaison officers, CSA directors, and the Deputy Under Secretary of Defense for Readiness as the OSD representative attend the JMRR. An executive summary of the JMRR is presented monthly to the Senior Readiness Oversight Council (SROC) chaired by the Deputy Secretary of Defense. The SROC provides a quarterly readiness report to Congress.

Readiness deficiencies are analyzed and may be addressed by any combination of operational, policy, or fiscal actions. Some deficiencies may be recommended for no action due to the cost, benefit, and risk analysis. Most remedies focus on near-term actions (within the next two years). Deficiencies that require long-term remedies may be recommended for consideration by a JWCA team.

Joint Warfighting Capabilities Assessment (JWCA)

The JWCA process is another major contributor to the overall strategic assessment aspect of the JSPS. Although the JWCA process is not officially a part of the JSPS, there is close interaction among the JSR, CRS, and JWCA process.

Figure 2-4 shows the current warfighting mission and support areas assessed by JWCA teams. It also depicts the sponsors and team composition of each assessment area.[5]
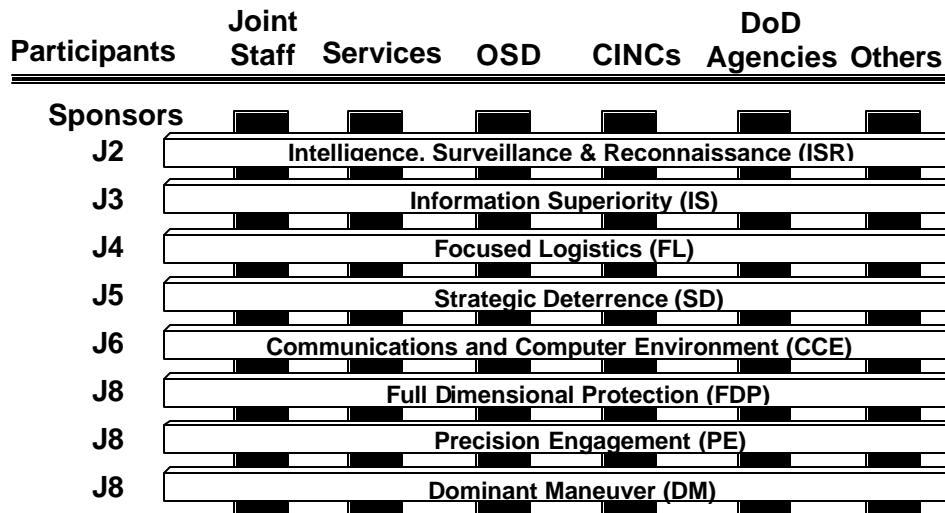
Figure 2-4. JWCA Areas, Sponsors, & Participants

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[5]CJCS, *The Joint Warfighting Capabilities Assessment Process*, CJCSI 3137.01A (Washington, DC: 22 January 1999, http://www.dtic.mil/doctrine/jel/cjcsd/cjcsi/3137_01a.pdf). This CJCS Instruction provides joint policy and guidance on the role, organization, process interrelationships, management, and operation of the JWCA process. Enclosure B is in the process of being updated with the new JWCA architecture as shown in Figure 2-4.

The following defines the domains of the current JWCA mission and support areas:

- Intelligence, Surveillance, and Reconnaissance (ISR): Assess ISR tasking, collection, processing, exploitation, and dissemination capabilities that enable satisfaction of the Joint Force Commander's information requirements to gain and sustain Full Spectrum Dominance. ISR also plays a prominent role within the Joint Vision 2020 key enabler, Information Superiority. As such, the ISR JWCA will be integrally involved in JWCA assessments that examine capabilities required for Precision Engagement, Dominant Maneuver, Full Dimensional Protection, and Focused Logistics.

- Information Superiority (IS): Assess capabilities that enable joint forces to gain and sustain information superiority in order to achieve decision superiority using command and control (C2) functions and information operations (IO) across the entire spectrum of military operations. By integrating C2, IO, intelligence, surveillance, and reconnaissance and the communication and computer environment, IS enables the full potential of Dominant Maneuver, Precision Engagement, Full Dimensional Protection, Focused Logistics, and Strategic Deterrence.

- Focused Logistics (FL): Assess the ability to provide the joint force the right personnel, equipment, and supplies in the right place, at the right time, and in the right quantity, across the full range of military operations as part of Joint Vision 2020. Through the lens of Logistics Transformation, effectively link all logistics functions in the following areas: Force Health Protection, Joint Deployment and Rapid Distribution, Joint Theater Logistics Management, Agile Infrastructure, Multinational Logistics, and Information Fusion.

- Strategic Deterrence (SD): Assess warfighting requirements and capabilities to deter potential adversaries from taking hostile actions against U.S. or Allied interests. Includes credible nuclear and conventional forces, WMD counter-proliferation efforts, military engagement activities, and posture of forward-based and deployed U.S. forces.

- Communications and Computer Environment (CCE): Assess Joint architectures and program requirements, and the capabilities of Joint, Combined, and Coalition warfighters to transport, control, manage, protect, defend, and process information across the Global Information Grid, to ensure interoperability and integration, as well as conformance with the information environment goals of Joint Vision 2020.

- Full Dimensional Protection (FDP): Assess joint warfighting capabilities to protect joint force personnel and other assets required to decisively execute assigned tasks through the tailored selection and application of multilayered active and passive measures across the range of military operations with an acceptable level of risk.

- Precision Engagement (PE): Assess operations that link sensors, delivery systems, and effects. It includes the spectra of kinetic to non-kinetic weapons, lethal to non-lethal

effects, and peacetime to wartime operations. Its actions may include conventional, special operations, or information operations forces.

- Dominant Maneuver (DM): Assess capabilities that enable joint forces to gain advantage with decisive speed and agility by scaling and massing force or forces and the effects of lethal or non-lethal fires through the application of information, deception, engagement, mobility and counter-mobility capabilities.

The mission of the JWCA teams is to enable the JROC to serve as the architect of the future joint force. They assist the JROC in identifying a path to achieve Joint Vision 2020 and beyond, and support the Chairman in executing his Title 10 responsibilities. Specific focus and priorities for the JWCA teams are derived from the Chairman's guidance to the JROC. Recall that the JROC provides the oversight of the JWCA process with the assistance of the JRB.

This annual, cyclic process provides key assessments to the CJCS for the development of the CPR and CPA. Since these two documents support the SecDef's development of the DPG and evaluation of the service POMs, the timing of the JWCA process is tied to the PPBS. Figure 2-5 shows the key events in the JWCA cycle. The cycle begins at the top of the diagram with the generation and approval of assessment topics.
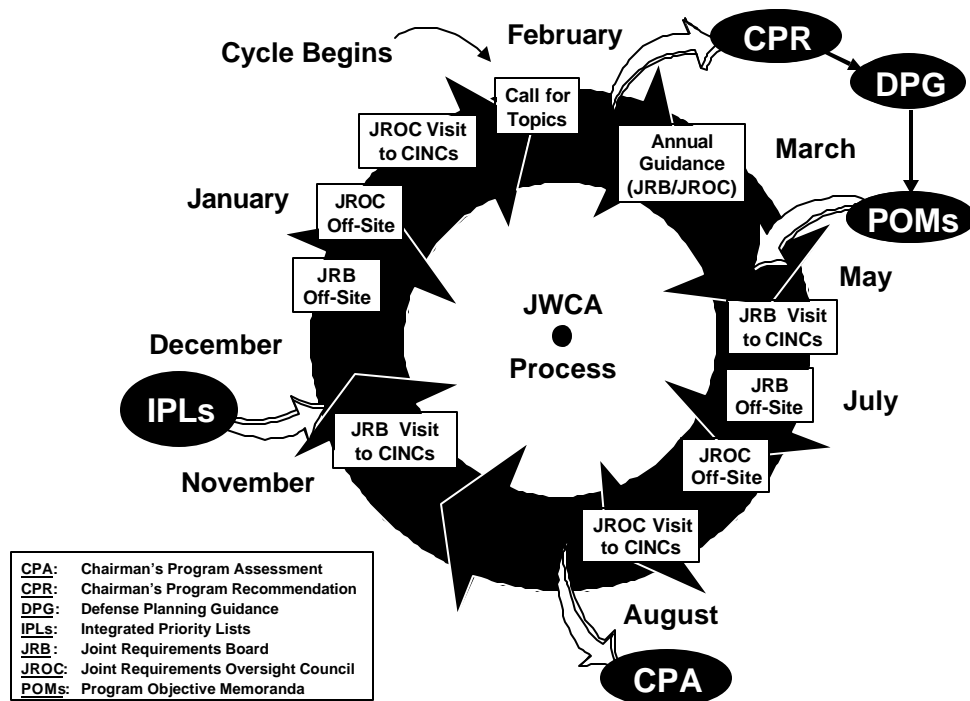
Figure 2-5. JWCA Cycle

A few important points should be noted:

- The "call for topics" and "annual guidance" involve identification and selection of the joint military capability issues that will be assessed during the upcoming cycle. These issues come from various sources: the NMS, the Joint Vision implementation process, previous CPRs or CPAs, the CINCs' IPLs, or direct input from the CINCs, services, JWCA team members, JROC, or JRB. The process can incorporate additional topics anytime in the cycle.

- Assessments are continual throughout this cycle, with periodic reviews by the JRB and JROC that provide further guidance and redirection as required.

- The visits to the CINCs ensure the process remains centered around the CINCs' warfighting requirements.

- The off-sites allow for JROC and JRB discussion of those issues that will be carried forward and ultimately influence the development of the CPR and CPA.

- The CPA is the annual, mid-cycle output of the JWCA process. The CPR is the annual, end-of-cycle output of the JWCA process. The end of one cycle (delivery of the CPR to the SecDef) overlaps with the start of the next cycle (call for topics).

It is worth our time to capture the importance of the JWCA process, not only in terms of its contributions to the JSPS, but also to the PPBS and the Requirements Generation and Defense Acquisition Systems. The JWCA process is the mechanism that integrates all of the planning systems that comprise the defense resource allocation process. Figure 2-6 helps illustrate this contribution. Notice how the CPR and CPA are positioned to demonstrate the linkage they provide between the JSPS and the PPBS.
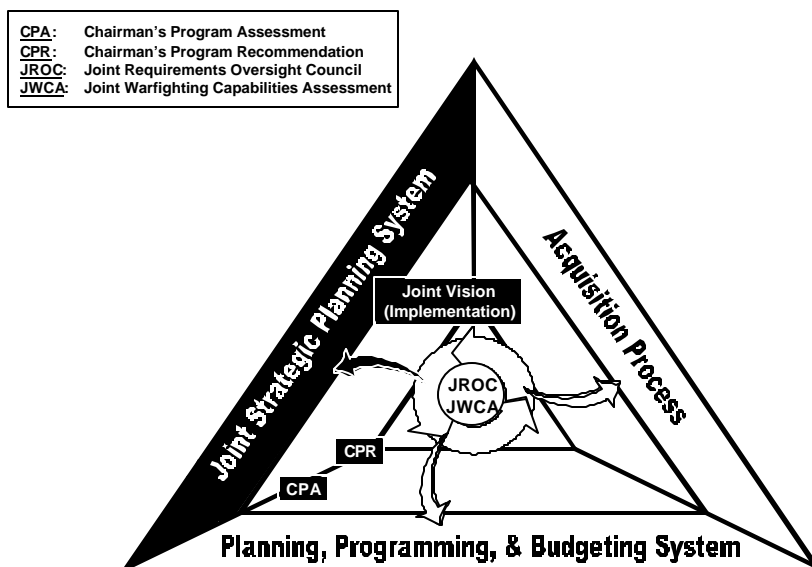
Figure 2-6. JROC/JWCA Support of the JSPS

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The Chairman uses a variety of assessments to scrutinize all elements of the JSPS. The JSR focuses on the development of strategy, the CRS assesses readiness deficiencies, while the JWCA process focuses on capabilities. Together they facilitate effective strategic planning. The JNA process is composed of this entire package of assessments.

Strategic Direction

Based on the continual and extensive assessment we have just examined, the CJCS is prepared to assist the NCA in providing for the strategic direction of U.S. military forces. The Chairman's Guidance (CG) supports the assessment process and provides focus for the preparation of the Joint Vision and the NMS. Both of these documents articulate strategic direction and are updated on an "as required" basis when significant changes occur in the security environment. The Vision and the NMS provide the foundation for the development of strategic plans and recommendations from the CJCS regarding the most effective allocation of limited resources. Figure 2-7 highlights the strategic direction aspect of JSPS.
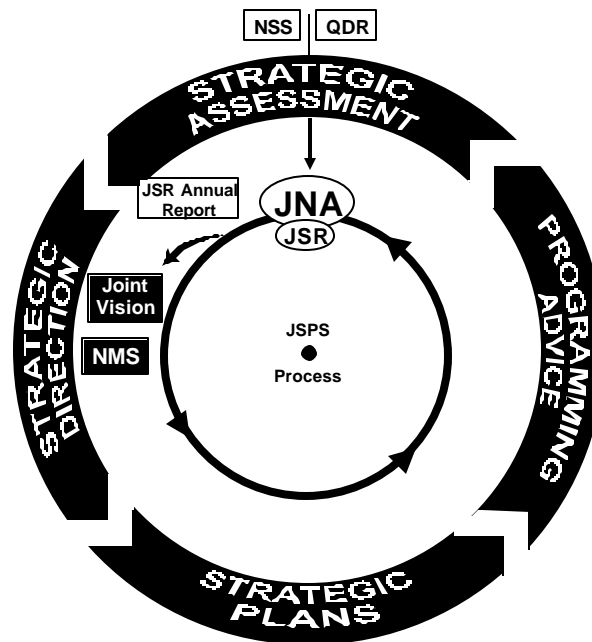
Figure 2-7. JSPS: Strategic Direction

JNA: Joint Net Assessment	**NMS**: National Military Strategy
JSPS: Joint Strategic Planning System	**NSS**: National Security Strategy
JSR: Joint Strategy Review	**QDR**: Quadrennial Defense Review

Joint Vision Implementation

The Joint Vision provides a joint template for integrating Service operational concepts and Service-unique capabilities within a framework of joint Doctrine, Organization, Training, Materiel, Leadership and Education, People, and Facilities (DOTMLPF). It is responsive to the challenges envisioned in the dynamic strategic environment described in the Joint Strategy Review (JSR).

Implementation of the Chairman's vision is key to achieving the "prepare now" element of the current National Military Strategy (*Shape, Respond, Prepare Now: A Military Strategy for a New Era*). It involves a continuous and iterative process managed by the J-7 and includes participation by the JCS, JROC, JWCA teams, CINCs, DoD agencies, and services.[6] The implementation process consists of three closely related, iterative, continuous components: (1) Joint Concept Development; (2) Joint Experimentation and Assessment; and (3) Joint Integration and Implementation. During Joint Concept Development, new joint operational concepts, to be assessed during experimentation and assessment activities, are developed with formal Service Headquarters, CINC, Joint Staff, and selected OSD agencies coordination. Joint Experimentation and Assessment activities examines and evaluates alternatives necessary to achieve the desired operational capabilities (DOCs) and articulates results in terms of recommended changes to joint DOTMLPF. The Joint Integration and Implementation component initiates the process for effecting integration and implementation of recommended changes to joint DOTMLPF. Figure 2-8 illustrates the components and key activities included in the implementation process.
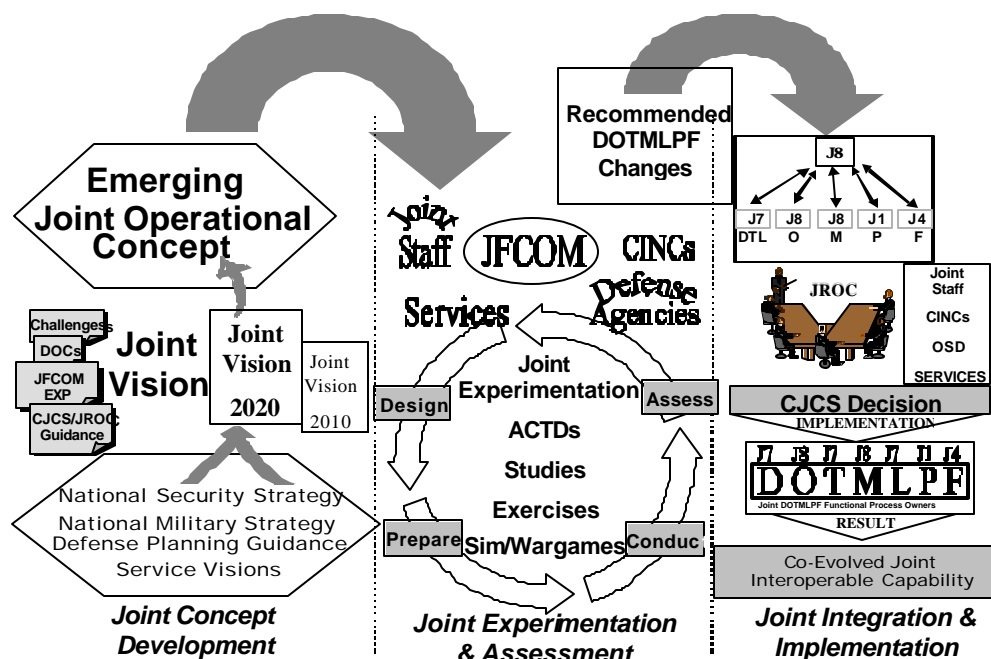
Figure 2-8. Joint Vision Implementation Process

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[6] CJCS, *Joint Vision Implementation Master Plan*, CJCSI 3010.02A (Washington, DC: 15 April 2001, http://www.dtic.mil/doctrine/jel/cjcsd/cjcsi/3010_02a.pdf). This instruction conveys the *Joint Vision* Implementation Master Plan (JIMP) and provides policy and guidance for implementation of the Chairman of the Joint Chiefs of Staff's (CJCS's) long-range vision document, *Joint Vision 2020*, and subsequent CJCS *Joint Vision* documents. Many of the phrases and descriptions used in this section are from this source document.

Joint Concept Development

A concept is a notion or statement of an idea, an expression of how something might be done, that can lead to an accepted procedure. The Joint Concept Development component of Joint Vision implementation is the process by which those ideas are explained to a degree of detail that permits them to be explored through joint experiments and other assessment events. The National Security Strategy, the National Military Strategy, the Defense Planning Guidance, and other strategy documents, along with Service visions, future studies, and the JROC-approved strategic topics, provide the basis for joint concept development. As described under the **strategic assessment** aspect of the JSPS, the Joint Strategy Review (JSR) assesses the future strategic environment and suggests a spectrum of possibilities along with a range of challenges and opportunities that may be faced in future years. This JSR analysis underpins the development and continuous revision of the broad operational concepts put forth in the Chairman's *Joint Vision*. The Chairman's *Joint Vision* and associated 21st Century Challenges, Desired Operational Capabilities (DOCs), and JROC Strategic topics channel the Joint Concept Development Component. The following products result from these task analyses:

- **21st Century Challenges** are a prioritized list of security challenges relevant to the future environment. Each "challenge" consists of a statement of the issue, a description of the future environment, and a postulate that links the challenge to joint warfighting operational concepts. Challenges will be broadly based on the Secretary of Defense's critical challenges in the Defense Planning Guidance (DPG). These challenges serve as the rationale for investigating desired operational capabilities.

- **Desired Operational Capabilities (DOCs)** are the products of the examination of the future operational environment and the 21st Century Challenges. A DOC is a concept-based statement of the operational capabilities required to satisfy a Joint Force Commander's needs across the full spectrum of conflict in the future and meet 21st Century Challenge requirements. Each DOC expresses subordinate tasks, associated conditions, and criteria for measurement. DOCs specify operational capabilities in terms of what must be done, but do not prescribe how to do it.

- **Joint Operational Capabilities (OC)** are groups of tasks, which make up a broad capability, or may themselves be specific tasks. Whereas DOCs specify operational capabilities in terms of what must be done, OC attempt to describe how to do it to an actionable level of detail eventually leading to requirements generation. Examples may include, but are not limited to, command and control (C2) fires, and close air support (CAS)

The concept development process is iterative and allows the opportunity for reassessment of DOCs as changes to technology and the operational environment become apparent and new challenges are developed. In addition to facilitating the development of evolutionary joint operational concepts related to the implementation of the current vision (the next military), the process explores far-term, revolutionary joint operational concepts that have potential to drive and leverage new and emerging technology to reshape the U.S. military for the future (the military after next). The process also generates near-term, innovative joint operational concepts that augment the capabilities of existing forces through the application of off-the-shelf technology solutions and new force and

system-employment ideas.   Service Headquarters, CINCs, Joint Staff EAs and JWCAs may initiate concept development keeping USJFCOM informed or provide input for Joint Concept Development.

Joint Experimentation and Assessment

Joint experimentation and assessment component defines, evaluates, and demonstrates those emerging joint operational concepts necessary to meet required joint capabilities.   This component of the Joint Vision implementation process explores joint concepts that address the 21st Century Challenges, DOCs, and joint OC to identify the DOTMLPF recommendations for change necessary to create the future joint force. Joint Experimentation and Assessments are a collaborative effort among USJFCOM and its Joint Experimentation Program, Services, and other CINCs, Defense agencies, JWCAs, and the Joint Staff. Joint Experimentation and Assessment will leverage a wide range of DOD capabilities to examine, test, and evaluate alternatives developed during joint concept development. Appropriate objectives, goals, criteria, and tasks will be developed to focus evaluation efforts. Wargames, warrior and senior-leader seminars, working groups, qualitative and quantifiable modeling and simulation analysis, and combatant command exercises will explore a variety of potential future operations, innovative concepts, and options. Joint and Service advanced warfighting experiments (AWE), advanced concept technology demonstrations (ACTDs), advanced technology demonstrations (ATDs), and joint warrior interoperability demonstrations (JWIDs) will investigate projected technological capabilities and architectures.   Modeling, simulations, joint exercises, and actual operations will assist in evaluating new operational concepts, technologies, information processes, and organizational structures and help further refine joint future operation concepts.

USJFCOM ROLE IN JOINT CONCEPT DEVELOPMENT, EXPERIMENTATION & ASSESSMENT

Significant to Joint Concept Development is the role of the Commander in Chief of U.S. Joint Forces Command (USJFCOM).   The SecDef has designated CINCUSJFCOM as the Executive Agent for Joint Experimentation. USJFCOM, in collaboration and formal coordination with the Joint Staff, Services, CINCs and selected Defense agencies will propose new joint operational concepts, along with measures of merit, to serve as the basis for exploring future joint capabilities and operations through joint experimentation and assessments.   Additional potential candidates for USJFCOM joint experimentation may be provided by OSD, the private sector, and other sources.   USJFCOM will ensure the overall integration of joint concepts and refine them based on assessment results and Service and CINC input. USJFCOM will create and explore new joint warfighting operational concepts through a series of joint experiments and other assessment activities. The findings from these experiments and other activities, weighed against the bench mark measures of merit (metrics), will be used to refine the concepts for further joint experimentation. Each cycle may yield insights for recommendations to co-evolve the elements of joint DOTMLPF. Other recommendations that suggest changes to the underlying operational concepts are fed back into the joint concept development component of the process to help the entire implementation process remain on the correct course to the future. Within their area of responsibility, CJCS-designated EAs, along with designated Services, and CINC representatives will participate in USJFCOM's continuous Joint Concept Development and Joint Experimentation and Assessment and will monitor progress in support of CJCS oversight.

Joint Integration and Implementation

The recommendations resulting from joint experimentation and assessments are worked through the Joint DOTMLPF Co-Evolution/Integration and Implementation process, Figure 2-9, which is designed to ensure that the seven DOTMLPF considerations of the Chairman's *Joint Vision* are addressed in parallel and across all operational concepts. This integration involves all of the Joint Staff directorates, Services, Defense agencies, and CINCs, as well as cross-organizational forums such as the JWCA teams, the JRB, and the JROC. Recommendations that have been approved for implementation by the Chairman will be assigned to the DOTMLPF Integration Team, chaired by the Director of the Joint Staff (DJS), for oversight and monitoring of co-evolution and implementation.
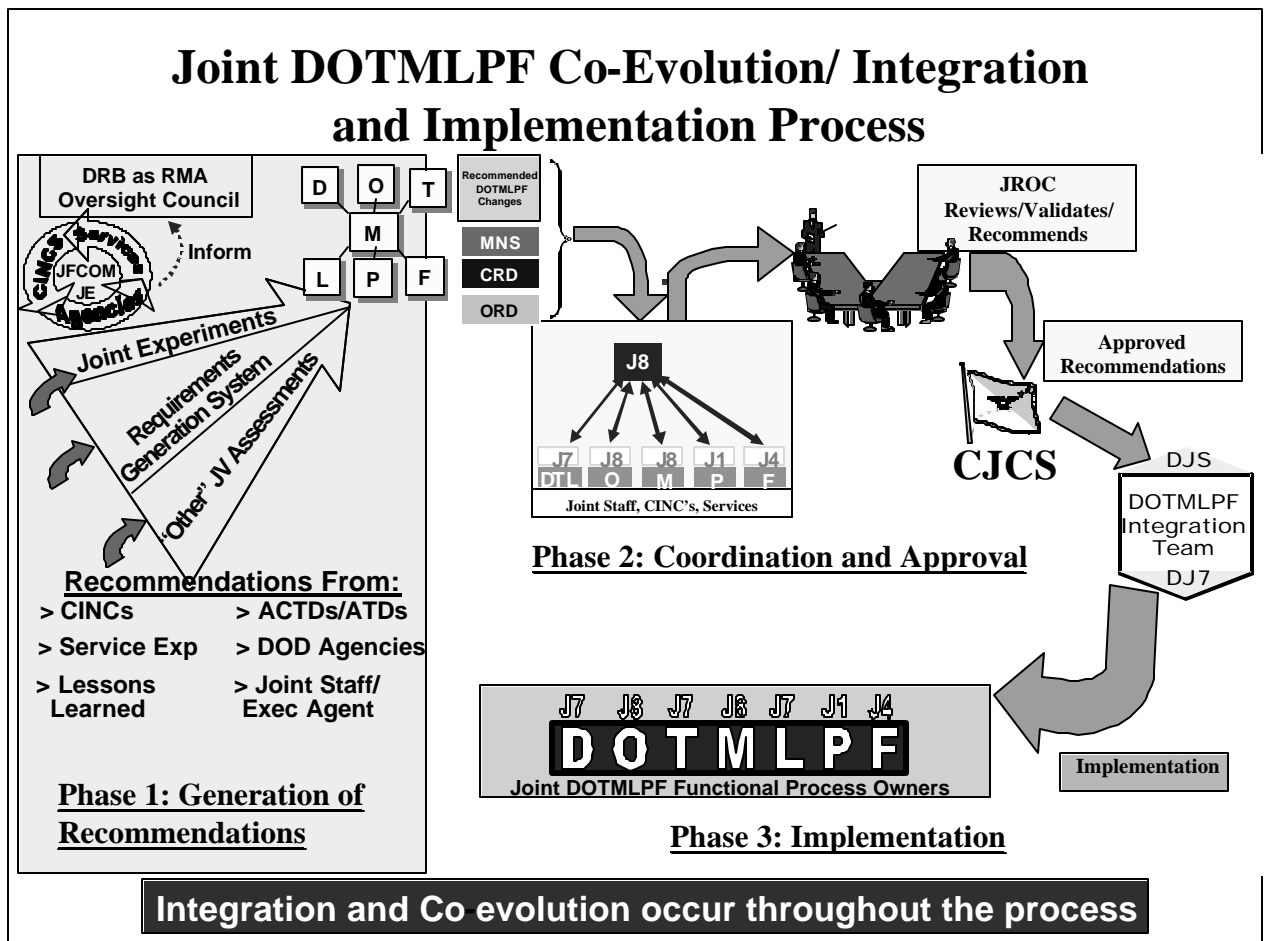
Figure 2-9. Joint DOTMLPF Co-Evolution/Integration and Implementation Process

Strategic Plans

The Unified Command Plan (UCP) and the Joint Strategic Capabilities Plan (JSCP) fulfill the Chairman's requirements to prepare strategic plans, and develop and review contingency plans. The UCP assigns broad missions and responsibilities, and defines the areas of responsibility for each of the geographic CINCs. The JSCP is much more specific and provides the CINCs the detailed guidance required for developing their operation plans using the Joint Operation Planning and Execution System. The JSCP also guides the CINCs in developing their TEPs. Designated CINC operation plans and TEPs are reviewed by the CJCS and submitted to the SecDef for approval. The JSCP incorporates and implements NCA guidance established in the SecDef's Contingency Planning Guidance (CPG). Figure 2-10 highlights the strategic planning aspect of the JSPS.
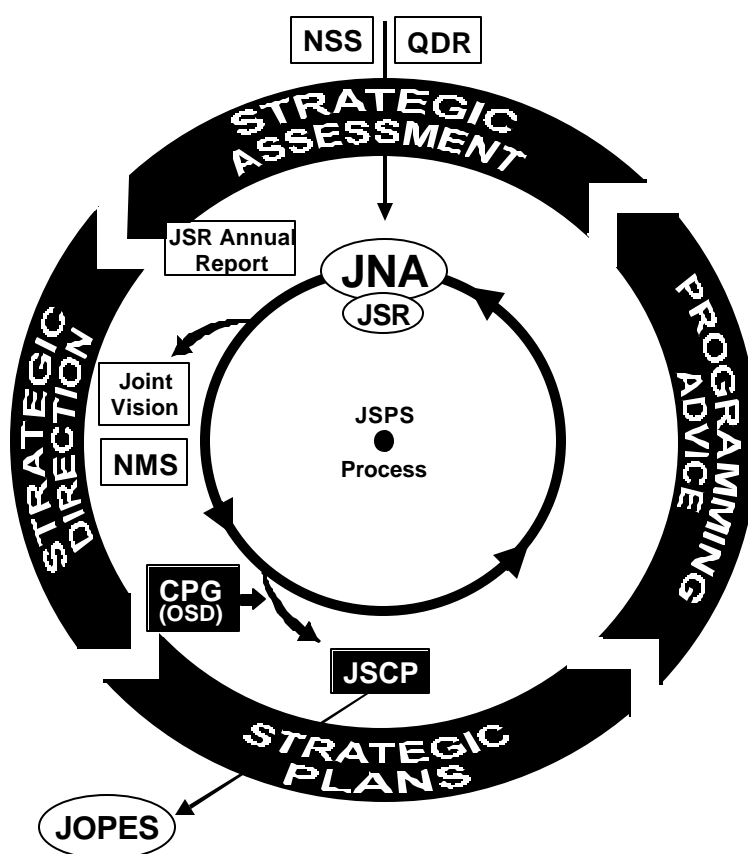
Figure 2-10. JSPS: Strategic Planning

CPG: Contingency Planning Guidance	**JSR**: Joint Strategy Review
JNA: Joint Net Assessment	**NMS**: National Military Strategy
JOPES: Joint Operation Planning & Execution System	**NSS**: National Security Strategy
JSCP: Joint Strategic Capabilities Plan	**OSD**: Office of the Secretary of Defense
JSPS: Joint Strategic Planning System	**QDR**: Quadrennial Defense Review

Programming Advice

The final aspect of the JSPS process involves the Chairman's responsibility to provide programming advice and assessment to the SecDef. The ability to effectively link our national military strategy and military objectives to actual capabilities is critical, especially in a resource-constrained environment. Such critical decisions are made in the PPBS and subsequently reconciled in the federal budget process. If we get it right, we have the proper force, equipped and trained to protect our national security interests, today and into the future. The decisions made in the PPBS are shaped by the recommendations provided in the JPD and CPR, and the assessment contained in the CPA. Figure 2-11 illustrates the programming advice aspect of the JSPS.
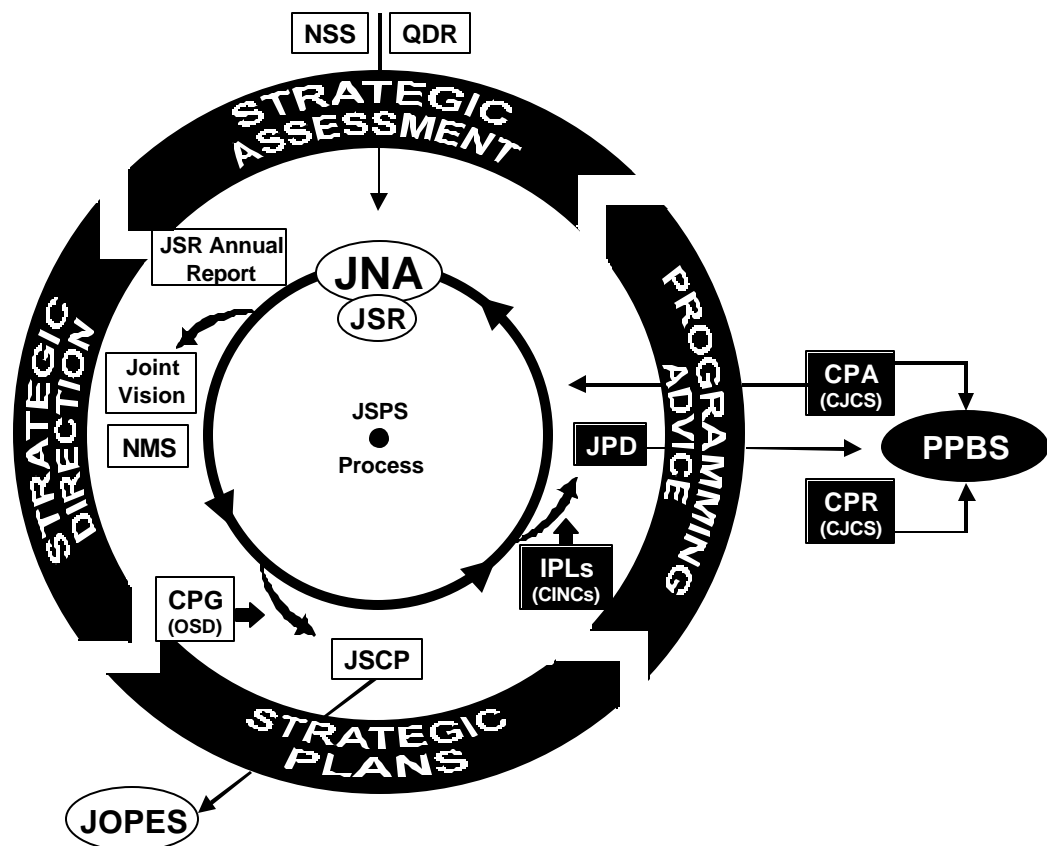
Figure 2-11. JSPS: Programming Advice

CINC:	Commander-in-Chief	**JSCP:**	Joint Strategic Capabilities Plan
CJCS:	Chairman of the Joint Chiefs of Staff	**JSPS:**	Joint Strategic Planning System
CPA:	Chairman's Program Assessment	**JSR:**	Joint Strategy Review
CPG:	Contingency Planning Guidance	**NMS:**	National Military Strategy
CPR:	Chairman's Program Recommendation	**NSS:**	National Security Strategy
IPLs:	Integrated Priority Lists	**OSD:**	Office of the Secretary of Defense
JNA:	Joint Net Assessment	**PPBS:**	Planning, Programming, & Budgeting System
JOPES:	Joint Operation Planning & Execution System		
JPD:	Joint Planning Document	**QDR:**	Quadrennial Defense Review

Process Summary

Using the JNA process (which encompasses the JSR, CRS, and JWCA process), the JSPS assesses risk using current forces against projected threats; develops strategic direction (Joint Vision and the NMS); and provides programming advice (JPD and CPR) that is a major input to the PPBS. The JSPS uses the CPA to evaluate forces programmed in the PPBS to help develop subsequent changes to the military strategy and strategic plans (JSCP). The JSCP is the starting point for JOPES and assigns missions to the CINCs, who develop operation plans and theater engagement plans to fulfill these missions. Figure 2-12 summarizes this process by showing the major documents that are generated by each aspect of the process and reemphasizing how the process is tied to the Chairman's Title 10 responsibilities.

Title 10 Requirements:	CJCS Develops Advice:	Products:
"Perform net assessments..."	Assessments	JSR Annual Report / CPA
"Assist the SecDef providing for the strategic direction."	Vision & Strategy	Joint Vision / NMS
"...prepare strategic plans..."	Plans	JSCP
"...make recommendations on requirements."	Program Requirements	JPD / CPR
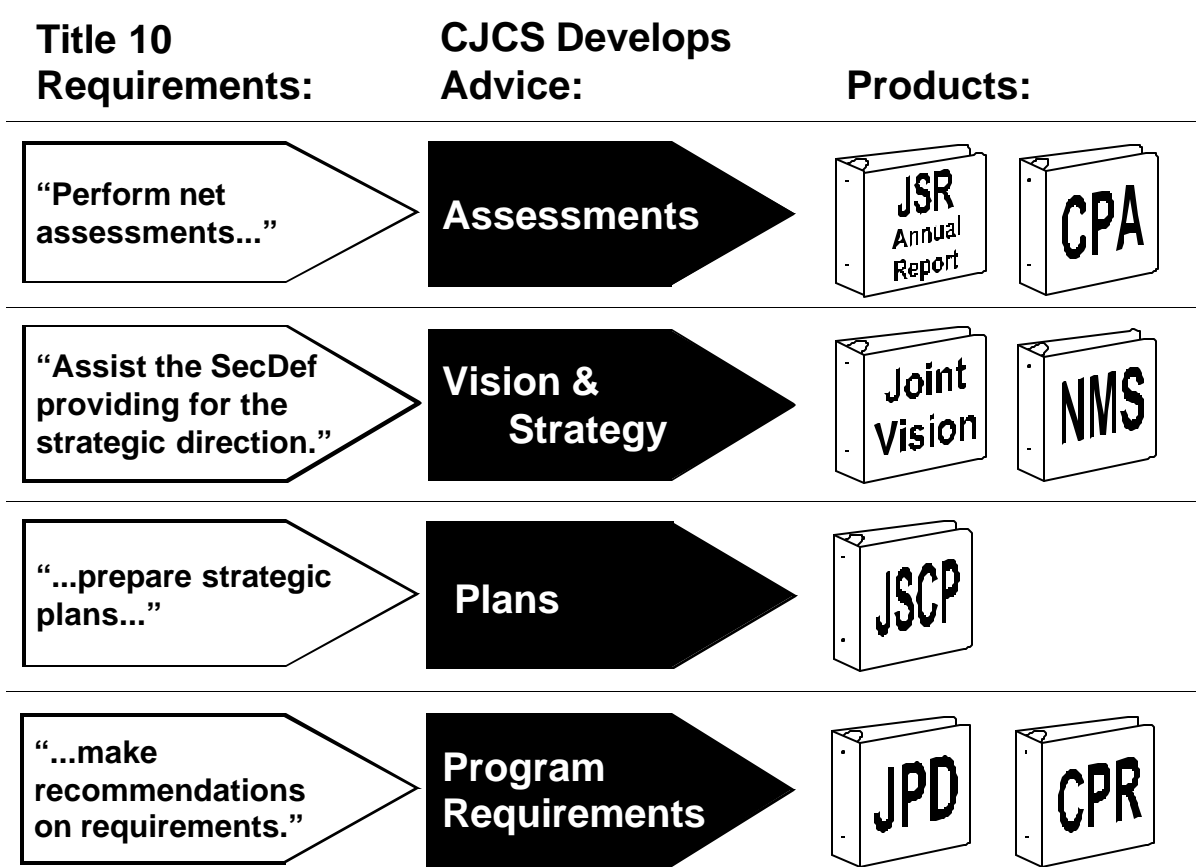
Figure 2-12. JSPS: Process Summary

CJCS:	Chairman of the Joint Chiefs of Staff	**JSCP:**	Joint Strategic Capabilities Plan
CPA:	Chairman's Program Assessment	**JSR:**	Joint Strategy Review
CPR:	Chairman's Program Recommendation	**NMS:**	National Military Strategy
JPD:	Joint Planning Document		

CINC Influence

To complete this section, it is important to reemphasize the role the warfighters play in JSPS. One of the objectives of the Goldwater-Nichols Act (GNA) was to ensure the CINCs had appropriate influence on national defense matters, especially with regard to the operational requirements of their commands. The JSPS is responsive to the CINCs and provides numerous opportunities for the CINCs to affect all aspects of the system. Figure 2-13 illustrates the CINCs' influence on the process. The darkened boxes represent JSPS products and the processes that produce them.
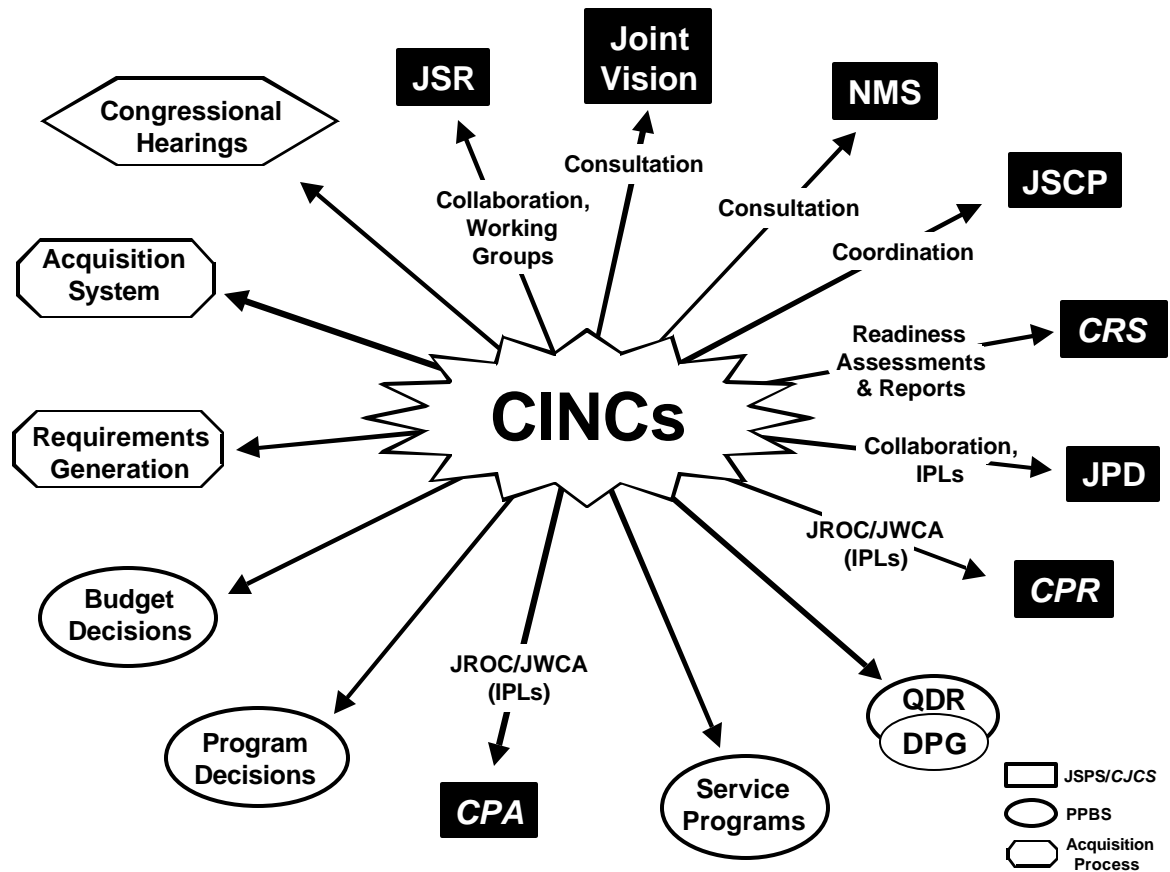
Figure 2-13. CINCs' Influence on the JSPS

CJCS:	Chairman of the Joint Chiefs of Staff	**JSCP:**	Joint Strategic Capabilities Plan
CPA:	Chairman's Program Assessment	**JSPS:**	Joint Strategic Planning System
CPR:	Chairman's Program Recommendation	**JSR:**	Joint Strategy Review
DPG:	Defense Planning Guidance	**JWCA:**	Joint Warfighting Capabilities Assessment
IPLs:	Integrated Priority Lists	**NMS:**	National Military Strategy
JPD:	Joint Planning Document	**PPBS:**	Planning, Programming, & Budgeting System
JROC:	Joint Requirements Oversight Council	**QDR:**	Quadrennial Defense Review

People

The JSPS belongs to the CJCS. Though the Chairman is responsible for the effective and efficient execution of this system, there are many other participants both internal and external to DoD. We will begin with the Joint Staff and then proceed to organizations outside the Office of the JCS.

Vice Chairman of the Joint Chiefs of Staff (VCJCS)

The VCJCS assists the CJCS and assumes the responsibilities of the Chairman in his absence. Though the CJCS is designated as the chairman of the Joint Requirements Oversight Council (JROC) by Title 10 of the U.S. Code, the CJCS delegates this responsibility to the VCJCS. In addition to these responsibilities, the VCJCS also serves as a member of the Defense Resources Board and is the vice-chairman of the Defense Acquisition Board. (We will discuss these councils and boards in more detail in other portions of the text.) By virtue of his role in these key decision-making forums, the VCJCS is positioned to have significant effect on the allocation of resources within the Department of Defense.

The Joint Staff [7]

Within the Joint Staff, responsibility for the management of the JSPS falls to the Strategic Plans and Policy Directorate (J-5). J-5 is the focal point for the development of strategic direction and strategic planning for the CJCS.

The Force Structure, Resources, and Assessment Directorate (J-8) provides advice to the CJCS to ensure there is linkage between future U.S. military force structure and our national objectives. The Director of the J-8 normally serves as the Executive Secretary for the JROC. The J-8 Directorate plans, coordinates, and integrates the activities of the Joint Warfighting Capabilities Assessment (JWCA) teams that support the development of the Chairman's program recommendations.

Primary responsibility for review of operation plans submitted by the CINCs resides with the Operational Plans and Joint Force Development Directorate (J-7). Once reviewed, these plans are forwarded to the SecDef for approval. J-7 is also the executive agent for implementing the Chairman's strategic vision (Joint Vision).

The Operations Directorate (J-3), Readiness Division, is the Joint Staff's single point of contact for all current readiness issues and assists the CJCS in fulfilling his Title 10 responsibilities to evaluate and report readiness. The Readiness Division manages the Chairman's Readiness System, which provides uniform policy and procedures for reporting the ability of the armed forces to meet the demands of the National Military Strategy (NMS). Readiness issues that require long-term programmatic solutions are passed to the JWCA process for assessment.

Close coordination among the J-3, J-5, J-7, and J-8, as well as the other directorates within

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[7] Appendix 1, p. 1-6 of this text provides the organizational structure of the Joint Staff. A detailed description of the functions of each of the Directorates of the Joint Staff can be found on the Internet: http://www.dtic.mil/jcs.

the Joint Staff, is critical. Using inputs from the organizations and agencies addressed below, these Joint Staff directorates craft policy, strategy, force planning, and resource allocation guidance.

Joint Requirements Oversight Council (JROC) [8]

The JROC is required by Section 181(b) of Title 10 to assist the CJCS in:

- Identifying and assessing the priority of joint military requirements (including existing systems and equipment) to support the national military strategy.

- Considering alternatives to any acquisition program that has been identified to meet military requirements by evaluating the cost, schedule, and performance criteria of the program and of the identified alternatives.

- Assigning joint priority among existing and future programs that meet valid requirements and reflect resource levels projected in SecDef's planning guidance.

These responsibilities are associated not only with the JSPS, but also support the Planning, Programming, and Budgeting System; the Requirements Generation System; and the Defense Acquisition System. (These functions of the JROC will be explained in Chapters 3 and 4.) The JROC, supported by the JWCA process, is not officially a part of any of the decision-making systems depicted in Figure 2-1 on page 2-1. However, it is closely tied to and supports all of them. We view this complementary process as the glue that bonds the systems together. The composition of the JROC is shown in Figure 2-14.

Joint Requirements Oversight Council	
Chairman	**Vice Chairman of the Joint Chiefs of Staff**
Executive Secretary	**Director, J-8 (Force Structure, Resources & Assessment Directorate)**
Members	**• Vice Chief of Naval Operations** **• Assistant Commandant of the Marine Corps** **• Vice Chief of Staff of the Army** **• Vice Chief of Staff of the Air Force**

Figure 2-14. JROC Composition

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[8] CJCS, *Charter of the Joint Requirements Oversight Council*, CJCSI 5123.01A, Washington, DC: 8 March 2001, http://www.dtic.mil/doctrine/jel/cjcsd/cjcsi/5123_01a.pdf). This CJCS Instruction establishes and empowers the JROC as an advisory council to the CJCS and delineates its composition and responsibilities. Many of the phrases and descriptions used in this chapter are from this source document.

Joint Requirements Board (JRB)

The JRB is a subordinate organization of the JROC and is composed of flag and general officers from each of the services. The JRB members are normally officers who are involved with the services' requirement processes. The JROC Secretary (Director of J-8) chairs the JRB. The JROC established the JRB and codified it in the JROC Charter to support the JROC by overseeing and integrating the JWCA process and shaping and honing the topics and issues that require JROC attention.[9]

Joint Warfighting Capabilities Assessment (JWCA) Teams

Teams of warfighting and functional area experts conduct the assessments assigned by the JROC. The JWCA teams are composed of personnel from the Joint Staff, unified commands, services, Office of the Secretary of Defense (OSD), DoD agencies, and others as required. A Joint Staff director sponsors each team. These assessment teams provide the analyses that underpin JRB and JROC decisions and recommendations.[10] See Figure 2-4 on page 2-7 for the composition of the JWCA teams.

Next we will look at some of the organizations and agencies external to the Joint Staff that participate in the JSPS.

National Security Council (NSC)

At the top of the strategic planning hierarchy, the NSC prepares national security guidance that, with Presidential approval, establishes national security policy. Section 404(a) of Title 50 requires that the President annually submit to Congress a comprehensive report on the National Security Strategy (NSS) of the United States along with the President's Budget. The NSS, along with other policy decisions, provides the basis for DoD's planning and programming.[11]

Office of the Secretary of Defense (OSD)[12]

Section 113(g) of Title 10 requires the SecDef to annually provide:

- DoD components with written policy guidance for the preparation and review of program recommendations and budget proposals, which includes guidance on national security objectives and policies; the priorities of military missions; and the resource levels projected to be available.

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[9] CJCSI 5123.01A, p. A-86.

[10] CJCS, *The Joint Warfighting Capabilities Assessment Process*, CJCSI 3137.01A (Washington, DC: 22 January 1999, http://www.dtic.mil/doctrine/jel/cjcsd/cjcsi/3137_01a.pdf). This CJCS Instruction provides joint policy and guidance on the role, organization, process interrelationships, management, and operation of the JWCA process.

[11] National Defense University, *Joint Forces Staff College Pub 1: The Joint Staff Officer's Guide 2000*, Norfolk, VA, 2000, http://www.jfsc.ndu.edu (click on the Joint Staff Officer's Guide link to gain access to JFSC Pub 1). pp. 1-4 and 1-5, provide a more detailed explanation of the organization and function of the National Security Council. The National Security Council homepage, http://www.whitehouse.gov/nsc/index.html, provides additional information.

[12] Appendix 1, p. A-1-3 provides the organizational structure of the Office of the Secretary of Defense.

- The CJCS with written policy guidance for the preparation and review of contingency plans.

Additionally, Section 118 of Title 10 requires the SecDef, in consultation with the CJCS, to conduct a Quadrennial Defense Review (QDR) to coincide with the beginning of a new administration.[13] The QDR is a comprehensive assessment of the defense strategy, force structure, force modernization plans, infrastructure, budget plans, and other elements of DoD programs and policies. The QDR Report provides a blueprint for a strategy-based, balanced, and affordable defense program for the next 20 years. Upon completion of the review, the CJCS submits an assessment of the QDR to the SecDef. The SecDef then submits the QDR Report (including the Chairman's assessment) to the Committees on Armed Services of the Senate and the House of Representatives.

Military Departments (Services)

As full participants in the JSPS, the services have an opportunity to provide their perspectives during the formulation of each of the JSPS documents. Additionally, the JSPS captures the ongoing analyses conducted by the services in the form of wargames, experiments, other studies, and professional symposiums. The services also participate in the Chairman's Readiness System (CRS) and JWCA process, providing further input to the assessment efforts that shape the outputs of the JSPS.

Combatant Commanders (CINCs)

The CINCs are warfighters who execute the military strategy; their input to the JSPS is critical. Like the services, CINCs participate fully during the formulation of the JSPS documents. In particular, the CINCs annually submit their Integrated Priority Lists. These have significant effect on the development of the JSPS products that furnish the Chairman's programmatic and budgetary advice. The CINCs also provide a great deal of input to the assessment aspect of the JSPS through participation in the CRS and the JWCA process.

Joint Forces Command (JFCOM)

In addition to the responsibilities as a combatant commander, the Commander in Chief of U.S. Joint Forces Command (CINCUSJFCOM) has a special role in the resource allocation process. The SecDef has designated CINCUSJFCOM as executive agent for conducting joint warfighting experimentation within DoD. This effort supports the implementation of the CJCS's Vision *(Joint Vision 2020)*. Through joint experimentation, CINCUSJFCOM explores new joint warfighting concepts and capabilities then determines the implications for changing doctrine, organization, training, materiel, leadership and education, personnel, and facilities. CINCUSJFCOM recommends changes identified by this process to CJCS. The JROC assesses and validates changes that involve joint warfighting capabilities (materiel).

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[13] Congress first mandated this requirement in the National Defense Authorization Act of 1996. Congress made the QDR a permanent requirement in the National Defense Authorization Act of 1999.

DoD Agencies

Much like the CINCs and services, the DoD agencies participate fully in the JSPS, providing important input to the formulation of the JSPS documents. DoD agencies provide representation to the various JWCA teams as required. For example, the Defense Intelligence Agency prepares baseline intelligence assessments and provides strategic planning advice to support the JSPS and the development of each of the JSPS documents.

Products

There are numerous documents associated with the JSPS. Many of these documents provide input or feedback to the JSPS. We will start by covering some of the more important "input" documents, then focus on those that are products of the JSPS. Before you start reading through the list of documents, take some time to study Figure 2-15. Most of the documents we will discuss are located on the diagram. Those that are darkened represent the products of the JSPS and the rest are "input" documents or documents associated with the PPBS. The arrows represent some of the interaction among the documents. As you work your way through this section, you will realize we could draw many more arrows to fully capture the interactive nature of the JSPS.
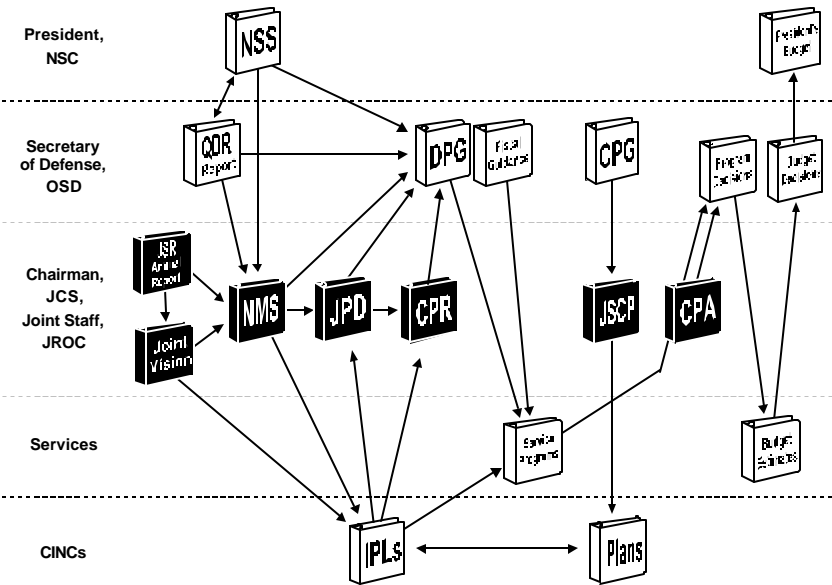
Figure 2-15. JSPS Documents

CINC: Commander-In-Chief	**JROC**: Joint Requirements Oversight Council
CPA: Chairman's Program Assessment	**JSCP**: Joint Strategic Capabilities Plan
CPG: Contingency Planning Guidance	**JSR**: Joint Strategy Review
CPR: Chairman's Program Recommendation	**NMS**: National Military Strategy
DPG: Defense Planning Guidance	**NSC**: National Security Council
IPLs: Integrated Priority Lists	**NSS**: National Security Strategy
JCS: Joint Chiefs of Staff	**OSD**: Office of the Secretary of Defense
JPD: Joint Planning Document	**QDR**: Quadrennial Defense Review

National Security Strategy (NSS)

National Security Strategy

WHO:	National Security Council: *President's Signature*
WHAT:	Grand Strategy/Elements of National Power
WHEN:	Annual (with Budget Submission)
WHERE	National Security Council Planning
WHY:	Title 50, Section 404a
CLASS:	UNCLAS
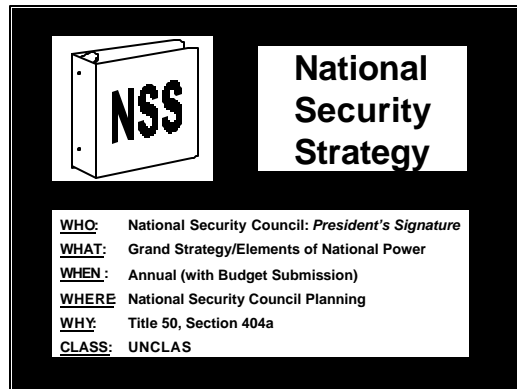
The NSC develops the NSS, which establishes the nation's grand strategy and addresses all elements of national power used to achieve our national goals and objectives. This document provides overall guidance for the development of the defense strategy produced by OSD and the National Military Strategy (NMS), a product of the JSPS.

Quadrennial Defense Review (QDR) Report

Quadrennial Defense Review Report

WHO:	OSD/Joint Staff: *SecDef Signature*
WHAT:	Defense Strategy, Force Structure, Modernization Assessments
WHERE:	Associated with PPBS (Planning)
WHEN:	With a New Administration (every 4 years)
WHY:	Title 10, Section 118
CLASS:	UNCLAS
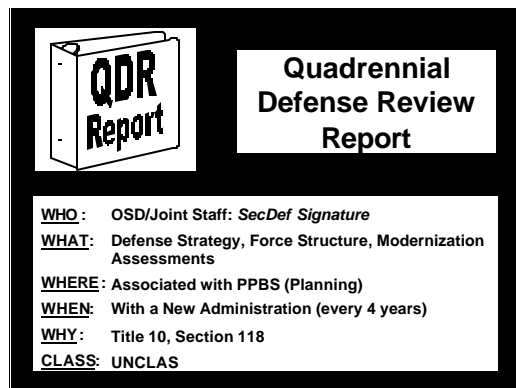
The QDR is a collaborative effort between OSD and the Joint Staff, with extensive participation from the services and the CINCs. The QDR report contains the results of the review, including an assessment of the global security environment, the defense strategy, and alternative defense postures. The QDR and the assessments and recommendations it produces affect all aspects of the resource allocation process. The Joint Staff considers these assessments and recommendations in their own ongoing assessments. The QDR report is presented to Congress and will likely influence funding for future forces. The NSC considers this report when it formulates the NSS.

Contingency Planning Guidance (CPG)

Contingency Planning Guidance

WHO: OSD: USD (Policy) - *Presidential Approval*
WHAT: Preparation & Review of Contingency Plans
WHEN: Every two years
WHERE: Associated with JSPS
WHY: Title 10, Section 113(g)(2)
CLASS: TOP SECRET
NOTE: Affects JSCP (Also Sent Directly to CINCs)
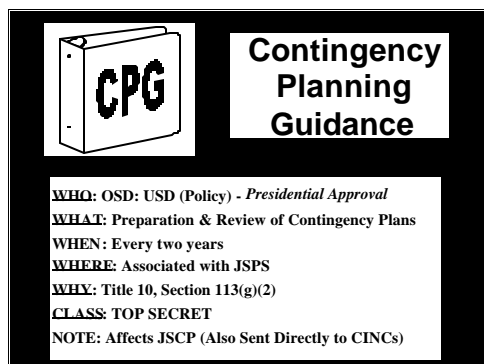
The CPG is the means by which the SecDef fulfills the annual requirement to provide written policy guidance to the CJCS for the preparation and review of contingency plans. The SecDef consults with the CJCS while formulating this guidance and gets presidential approval once it is finalized. The CPG directly affects the formulation of the Joint Strategic Capabilities Plan (JSCP), which is one of the products of the JSPS. For example the CPG includes national-level guidance or policy which is included in the JSCP.

Defense Planning Guidance (DPG)

Defense Planning Guidance	

WHO: OSD: PA&E - *SecDef Signature*
WHAT: Planning & Programming Guidance to Services
     & Agencies for POM Development
WHEN: Annual (March)
WHERE: PPBS (Planning Phase)
WHY: Title 10, Section 113(g)
CLASS: SECRET
NOTE: Illustrative Planning Scenarios Appended
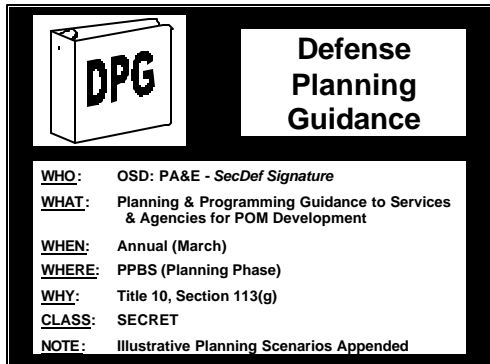
The DPG fulfills the SecDef's Title 10 responsibility to provide the services and defense agencies with guidance for the preparation of their program recommendations and budget proposals. The DPG is formally part of the planning phase of the PPBS and will be covered more thoroughly in Chapter 3. While the DPG's primary purpose is establishing SecDef's planning and programming guidance to the services for the development of their Program Objective Memoranda (POMs), it also provides the defense strategy (including regional application) and the planning guidance to support that strategy. Many of the JSPS products represent CJCS advice that affects the formulation of the DPG. In turn, guidance provided in the DPG feeds back into the JSPS to influence subsequent assessments and planning.

Integrated Priority Lists (IPLs)

Integrated Priority Lists	

WHO: CINCs
WHAT: Priority Requirements
WHEN: Annual (November)
WHERE: JOPES → JSPS/JWCA/PPBS
WHY: Title 10, Section 153(a)(4)
CLASS: SECRET
NOTE: To SecDef & CJCS (Copy to Services)
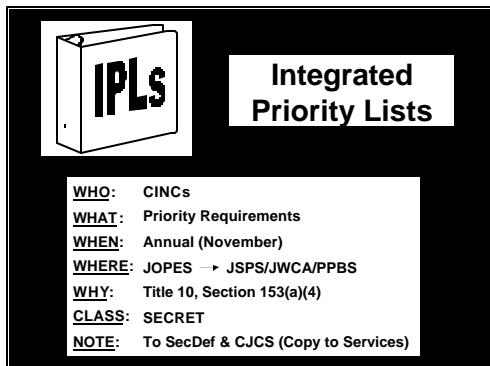
In accordance with Title 10, the CJCS assists the SecDef's oversight of CINC activities and serves as their spokesman, especially with regard to their operational requirements. The IPLs are the formal means by which the CINCs identify those areas that require priority attention during program development. They are submitted annually to the SecDef and CJCS with copies to the services. IPLs affect the formulation of SecDef's DPG and subsequent development of the service programs. They are also important in the JWCA process and affect the formulation of the Chairman's Program Recommendation (CPR) and the Chairman's Program Assessment (CPA); both are documents associated with the JSPS and directly influence the PPBS.

Theater Engagement Plans (TEPs) [14]

TEPs	**Theater Engagement Plans**

WHO: Geographic CINCs (Reviewed by CJCS & USD Policy)
WHAT: Deliberate plan to shape security environment during peacetime (covers an 8-year period)
WHEN: Strategic concept - biennial (April / odd years)
Activity Annex - annual (October)
WHERE: Theater Engagement Planning Process - JSPS/JWCA/PPBS
WHY: Title 10, Section 164(b) / Title 10, Section 153(a)(3)
CLASS: SECRET
NOTE: Planning Guidance provided in JSCP.
Integrated into the "Global Family of Engagement Plans."

In order to integrate and manage military engagement activities, the geographic CINCs are required to develop TEPs. These engagement plans include all military activities intended to shape the security environment during peacetime and are based on planning guidance provided in the Joint Strategic Capabilities Plan (JSCP) and SecDef guidance included in the CPG. CINCs submit TEP Strategic Concepts to the CJCS for review biennially, while TEP Activity Annexes are submitted annually to the USD Policy. CJCS integrates these plans into the "global family of engagement plans" and forwards this family of plans to the Under Secretary of Defense (Policy) for review. The TEP preparation process is designed to coincide with critical JSPS and PPBS decision points. This ensures the resource requirements needed to support the CINCs' engagement activities are considered during the development of DoD programs and budgets.

Although there is much additional input to the JSPS, you now have reviewed the more important documents and it is time to move on to the products generated by the JSPS. When we cover the assessment aspect of the JSPS in the next section, you will see that this continuous assessment process facilitates the integration of all aspects of the JSPS and is the basis for all the JSPS documents. The documents that follow are organized with regard to the four aspects of the JSPS: strategic assessment, strategic direction, strategic plans, and programming advice.

Joint Strategy Review (JSR) Issue Papers—Strategic Assessment

When significant changes or factors in the strategic environment are identified, J-5 prepares issue papers that are used to consider changes to other JSPS documents. The JSR Issue Papers may be provided to the CJCS, JCS, and the CINCs for their review and comment. Issues selected for senior leadership review will be summarized in the JSR Annual Report.

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[14] CJCS, *Theater Engagement Planning*, CJCSM 3113.01 (Washington, DC: 31 May 2000, http://www.dtic.mil/doctrine/jel/cjcsd/cjcsm/m311301.pdf). This CJCS Manual sets forth guidelines and procedures for the geographic CINCs and executive agents to develop Theater Engagement Plans. CJCS, *Responsibilities for the Management and Review of Theater Engagement Plans*, CJCSI 3113.01 (Washington, DC: 1 April 1998, http://www.dtic.mil/doctrine/jel/cjcsd/cjcsi/311301.pdf). This CJCS Instruction establishes responsibilities and procedures for the management and review of Theater Engagement Plans submitted to the Chairman of the Joint Chiefs of Staff for integration into the global family of engagement plans.

JSR Annual Report—Strategic Assessment

Joint Strategy Review Annual Report	
WHO:	Joint Staff: J-5 - *CJCS Signature*
WHAT:	Strategic Assessment
WHEN:	Annual (July/August)
WHERE:	JSPS
WHY:	Title 10, Section 153(a)(2)
CLASS:	SECRET
NOTE:	Recommends Changes to Joint Vision & NMS (also Affects NSS & JPD)
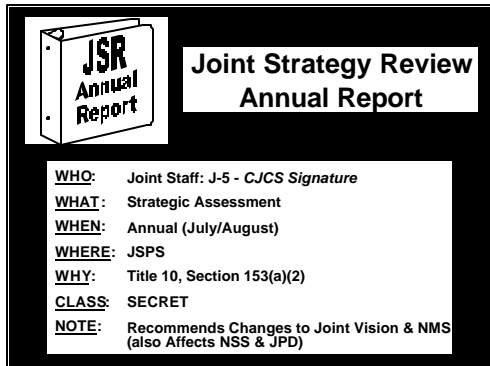
The JSR Annual Report presents the JCS's view of the future security environment and recommends changes to the NMS and the Chairman's strategic vision. The report also affects the development of the NSS and the Joint Planning Document (JPD). This report normally covers a 20-year assessment window and results from the continuous assessments that occur during the JSR process. A Joint Working Group headed by the J-5 and composed of representatives from the services, the Joint Staff, and the CINCs prepare the JSR. The report is normally published by the 1st of August each year and includes:

- Significant trends expected to have strategic effect on the future security environment.

- Assumptions. Supposed developments or conditions accepted as substitutes for facts about the future that cannot be known.

- Potential alternative future environments.

- Strategic implications important in formulating or executing military strategy in these alternative future environments.

- Potential effects of these future environments on the conduct of military operations.

- Strategic indicators used to monitor the evolution of trends and the validity of assumptions.

- Recommended changes to the NMS and Joint Vision.

Note: The CJCS ultimately decides what focus, timeframe, etc. is addressed in each JSR.

Chairman's Guidance (CG)—Strategic Direction

The CG provides a common set of assumptions, priorities, intent, and critical planning factors for the development of future strategies and plans. It guides the Joint Staff in preparing the Chairman's Vision and drafting the NMS. The CG is not always published as a separate document, but frequently embedded as an integral part of the process of developing strategic direction.

Joint Vision—Strategic Direction

Joint Vision (Chairman's Vision)

WHO:	Joint Staff: J-5/J-7 - *CJCS Signature*
WHAT:	Strategic Direction
WHEN:	As Required
WHERE:	JSPS
WHY:	Title 10, Section 153(a)(1)
CLASS:	UNCLAS
NOTES:	J7 Responsible to Coordinate Implementation
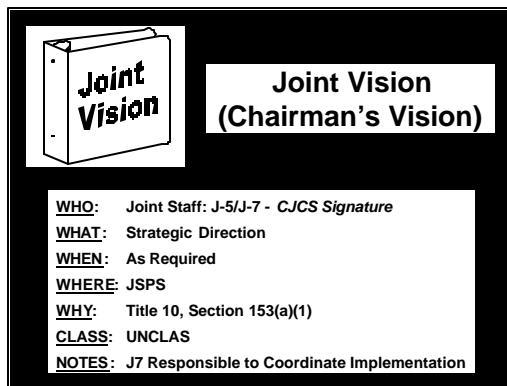
This document is a long-range vision that provides a common focal point for future planning and suggests concepts for operating within the projected security environment. Joint Vision is a conceptual template that provides common direction for the services in developing the core competencies they contribute to joint warfighting. It provides a means to study the implications of emerging threats, technologies, and global changes. These implications include effects on joint doctrine, future force structure, requirements, and capabilities. The J-5 prepares the Joint Vision on an "as required" basis and the J-7 is responsible for its implementation. The JROC, JRB, and JWCA teams support the assessment process that underpins the implementation effort. This document is also called the Chairman's vision or the Chairman's strategic vision.

National Military Strategy (NMS)—Strategic Direction

National Military Strategy

WHO:	J-5: *CJCS Signature*
WHAT:	Strategic Direction
WHEN:	As Required
WHERE:	JSPS
WHY:	Title 10, Section 153(a)(1)
CLASS:	UNCLAS
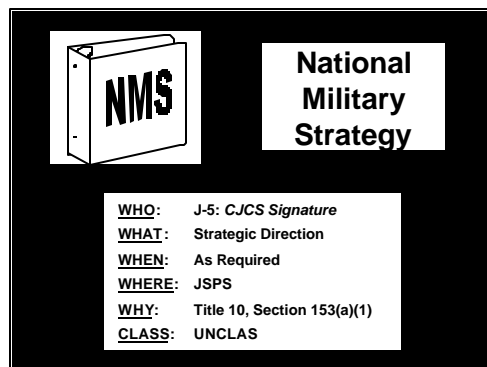
The NMS is one of the means by which the Chairman, in consultation with the JCS, the services, and the CINCs, provides advice and assistance to the NCA regarding the strategic direction of U.S. armed forces. The NMS describes how U.S. military capabilities support the national security objectives prescribed in the NSS. The NMS describes the strategic environment, defines the national military objectives, outlines the strategy to accomplish these objectives, and addresses the military capabilities required to execute the strategy. The NMS provides the strategic direction for the development of the JSCP and JPD, and assists the SecDef's preparation of the DPG. The NMS is revised and republished by the J-5 on an "as required" basis.

Unified Command Plan (UCP)—Strategic Plans

Unified Command Plan	

WHO: CJCS - J5: SecDef Review, *President's Signature*
WHAT: Establishes Unified/Specified Commands
WHEN: Every 2 Years (or less)
WHERE: Associated with JSPS
WHY: Title 10, Section 161(b)
CLASS: SECRET
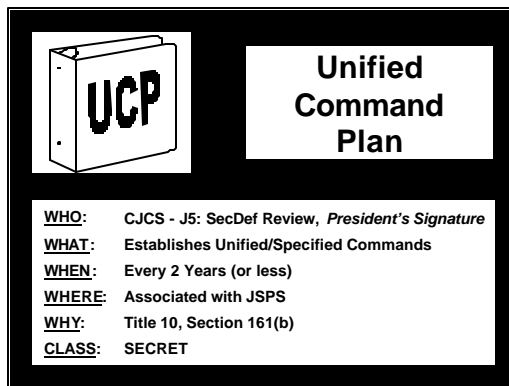
The UCP establishes the unified and specified combatant commands. It assigns primary tasks, describes general responsibilities of the commanders (CINCs), defines their authority, establishes command relationships, and identifies geographic areas of responsibility.[15] The CJCS is responsible for periodic review (at least every two years) of the missions, responsibilities, geographical boundaries, and force structure of each combatant command. The CJCS recommends changes to the President through the SecDef. Though the UCP is not an official product of the JSPS, it is closely associated with the activities of this planning system.

Joint Strategic Capabilities Plan (JSCP)—Strategic Plans

Joint Strategic Capabilities Plan	

WHO: Joint Staff: J-5 - *CJCS Signature*
WHAT: Specific guidance & tasking to CINCs & Services
WHEN: Every 2 Years (or less)
WHERE: JSPS
WHY: Title 10, Section 153(a)(2)
CLASS: TOP SECRET
NOTE: Start Point for JOPES (CINCs' Operational Plans) Also provides tasking & guidance for CINCs' TEPs
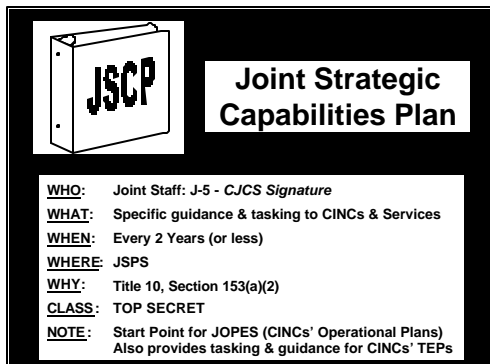
The SecDef delegates the directive authority found in the JSCP to the CJCS. Whereas the UCP assigns very broad missions and responsibilities, the JSCP provides specific guidance to the CINCs and the Service Chiefs to accomplish tasks and missions based on current military capabilities and/or threats. The JSCP provides a coherent and focused framework designed to integrate the deliberate operation and engagement planning activities of the entire joint planning and execution community. The JSCP:

- Provides planning guidance, assumptions, and objectives to the CINCs.

- Provides planning guidance to the services and DoD agencies for supporting the CINCs' execution of assigned objectives and tasks.

- Tasks the CINCs to develop deliberate plans, including operation plans, concept plans, and functional plans for contingencies and deterrence.

- Tasks the CINCs to develop Theater Engagement Plans for peacetime engagement.

- Designates those plans to be submitted for CJCS review and SecDef approval.

- Apportions major combat forces, strategic lift, and pre-positioned assets expected to be available from both active and reserve component forces.

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[15] *The Joint Staff Officer's Guide 2000*, Chapter 1, provides additional information on the Unified Command Plan.

- Provides an intelligence assessment of the global threat environment and the probability of smaller-scale contingencies in various countries throughout the world.

Supplemental Instructions, published separately, provide additional planning guidance and amplification of tasking for planning in specific functional areas.

The JSCP implements the guidance forwarded in the SecDef's CPG and, along with the CINCs' plans, supports and implements the objectives of the NMS. The JSCP is the link between strategic planning and joint operational planning conducted through the Joint Operation Planning and Execution System (JOPES). The JSCP is reviewed continually and republished when a change in the strategic environment or some other requirement necessitates a revision (typically it is republished every two years).

Joint Planning Document (JPD)—Programming Advice

WHO:	Joint Staff: J-5/J-8 - *CJCS Signature*
WHAT:	Broad Programming Advice
WHEN:	Annual (October)
WHERE:	JSPS
WHY:	Title 10, Section 153 (a)(4)
CLASS:	SECRET
NOTE:	Early Recommendations for DPG
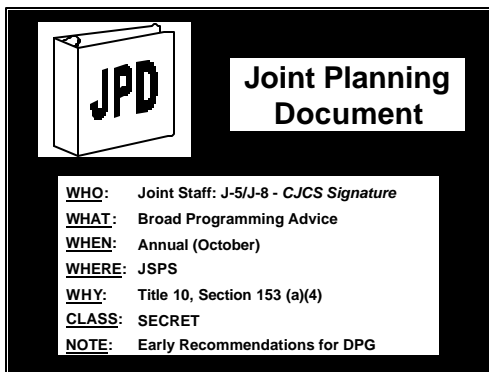
The JPD, the Chairman's Program Recommendation (CPR), and the Chairman's Program Assessment (CPA) fulfill the Chairman's statutory responsibility to provide programming advice and assessment to the SecDef. The JPD provides planning and broad programming recommendations and advice to the SecDef for consideration during preparation of the Defense Planning Guidance. The JPD informs the JROC and JWCA teams of the programming direction and priorities of the Chairman that contribute to the subsequent development of the CPR and CPA. The JPD:

- Is submitted six months in advance of the scheduled publication of the DPG.

- Is extensively coordinated within the Joint Staff, then with the services, CINCs, and appropriate DoD agencies.

- Reflects the Chairman's planning guidance based on the NMS, Joint Strategy Review, Joint Vision, and the JSCP.

- Identifies critical capability shortfalls in meeting the NMS.

- Emphasizes the Chairman's priorities.

Each of the chapters in the JPD addresses a specific functional area and is prepared by the appropriate Joint Directorates. The following chapters are typically addressed in the JPD:

- Chapter 1 – Manpower and Personnel (J-1 lead)

- Chapter 2 – Joint Readiness (J-3 lead)

- Chapter 3 – Command and Control (J-6 lead)

- Chapter 4 – Weapons of Mass Destruction (J-5 lead)

- Chapter 5 – Intelligence, Surveillance, and Reconnaissance (J-2 lead)

- Chapter 6 – Information Operations (J-3 lead)

- Chapter 7 – Interoperability (J-7 lead)

- Chapter 8 – Strategic Mobility and Sustainability (J-4 lead)

- Chapter 9 – Theater Engagement - Overseas Presence (J-5 lead)

- Chapter 10 – Future Capabilities (J-8 lead)

Chairman's Program Recommendation (CPR)—Programming Advice

Chairman's Program Recommendation

WHO:	CJCS (*Personal to SecDef*)
WHAT:	Program Recommendations
WHEN:	Annual (February/March)
WHERE:	JROC/JWCA- Associated with JSPS
WHY:	Title 10, Section 153 (a)(4)
CLASS:	SECRET (Close Hold)
NOTE:	Just Prior to DPG Being Published
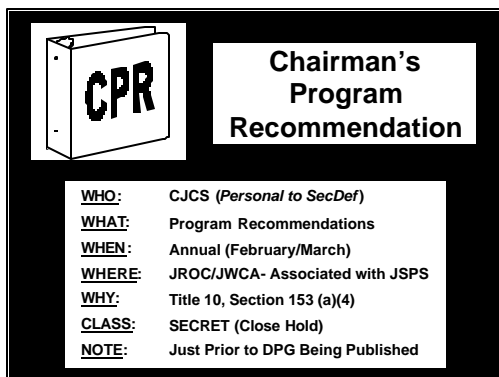
Whereas most organizations within DoD participate in the formulation of the JPD, the CPR communicates the Chairman's personal recommendations directly to the SecDef regarding priorities for the DPG. While the JPD provides early planning and broad programmatic advice, the CPR comes later in the process, considers the programming priorities and direction presented in the JPD, and provides more specific recommendations on programs of greatest concern to the Chairman.

The CPR development process focuses on recommendations that enhance joint readiness, promote joint doctrine and training, or better satisfy joint warfighting requirements. Using the JWCA process, the JROC compiles much of the substance of these recommendations from its discussions with the CINCs. The CJCS considers these recommendations in formulating the CPR.

The SecDef can incorporate all, part, or none of the CPR in the DPG. Since the Service Vice Chiefs, as members of the JROC, are involved in framing and reviewing the issues that are forwarded to the CJCS for consideration, the services can take these issues into account as they prepare their POMs.

Chairman's Program Assessment (CPA)—Advice & Assessment

The CPA is the means through which the CJCS fulfills Title 10 responsibilities to:

- Advise the SecDef on the extent the program recommendations and budget proposals of the military departments and other components of the DoD conform to the priorities established in strategic plans and support the CINCs' priorities.

- Submit to the SecDef alternative program recommendations and budget proposals, within projected resource levels and guidance provided by SecDef, to achieve greater conformance with established priorities.

Chairman's Program Assessment

WHO:	CJCS (*Personal to SecDef*)
WHAT:	Program Assessment
WHEN:	Annual (September)
WHERE:	JROC/JWCA- Associated with JSPS & PPBS
WHY:	Title 10, Section 153 (a)(4)
CLASS:	SECRET (Close Hold)
NOTE:	Between POMs & PDM II
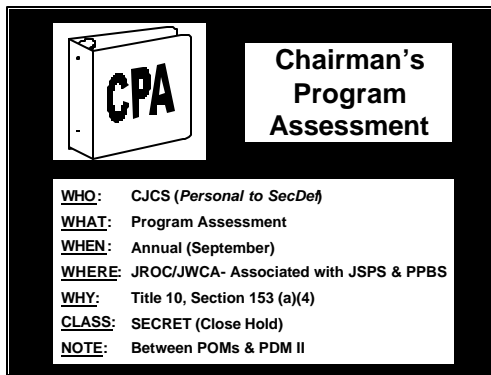
The CPA is the Chairman's "report card" on the services' programming efforts. It summarizes and communicates the Chairman's views on the balance and capabilities of the POM force and support levels required to attain our national security objectives.

The CPA serves as key input back to the ongoing assessments of the JSPS and will influence subsequent strategic planning efforts. Whereas the JPD and CPR "transport" the planning efforts from the JSPS to the PPBS, the CPA ties the PPBS back into the JSPS. In Chapter 3 you will learn how the CPA affects the programming phase of the PPBS.

Inputs to the CPA are based heavily on the requirement issues assessed in the JWCA process. Figure 2-16 illustrates how the JPD, CPR, and CPA function in concert to fulfill the Chairman's responsibility to provide programming advice and assessment.

Programming advice provided by the Chairman is developed through a number of complementary processes and is communicated to the Secretary of Defense through the Joint Planning Document, the Chairman's Program Recommendation, and the Chairman's Program Assessment.

CPA
- CJCS assessment of Services' programs
- Provides advice on alternative programs
- Influence on the SecDef's program decisions
- Feeds back into the JSPS assessment process

POM Submission

CPR
- Supports the broad programming advice in the JPD
- Adjusts priorities
- Specifics on programs of greatest concern
- CJCS's advice to shape final Defense Planning Guidance

JPD
- Early, authoritative advice of the CJCS
- Focus on strategic programming direction
- Extensive input and coordination
- Supports initial draft of the Defense Planning Guidance

Figure 2-16. CJCS Programming Advice & Assessment

Congratulations!! We have finally worked our way through the process, people, and various documents associated with the JSPS.

Plug-in

At this point, you should be on your way toward a working understanding of the JSPS and an appreciation that the JSPS does not function as an isolated system; it is mutually supporting and synchronized with the PPBS and provides the starting point for JOPES. We will cover the PPBS in the next chapter. While JOPES is covered in another part of the Naval War College curriculum, you need to know that JOPES transforms strategy, missions, and forces into operation plans. JOPES generates war plans through the deliberate planning process and operation orders through the crisis action planning process. In short, JOPES provides executable plans to use assigned forces in support of national security.

In the process of developing strategy and plans, the interaction between the JSPS and JOPES also identifies requirements or capability deficiencies. While some of these deficiencies can be resolved by changes in doctrine, organization, training, or other nonmaterial means, others require materiel solutions—the acquisition of weapons systems and equipment. The critical deficiencies appear in the CINCs' IPLs. These deficiencies are addressed in the JPD and CPR as programming advice and affect programming and budgeting decisions made in the PPBS.[16] In the federal budget process, Congress then decides whether or not to appropriate funds against the DoD budget proposals. While these program and budget decisions are being made, the requirements are studied and validated as potential acquisition programs. The Defense Acquisition System (DAS) applies the funds provided from the interaction between the PPBS and federal budget process to the requirements generated from the interaction between the JSPS and JOPES, resulting in the operational capabilities necessary to execute our military strategy. Figure 2-17 illustrates this ongoing interaction among the components of the resource allocation process.

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[16] CJCS, *Chairman of the Joint Chiefs of Staff, Commander in Chiefs of the Combatant Commands, and Joint Staff Participation in the Planning, Programming, and Budgeting System*, CJCSI 8501.01 (Washington, DC: 1 April 1999, http:www.dtic.mil/doctrine/jel/cjcsd/cjcsi/8501_01.pdf). This CJCS Instruction describes participation by the CJCS, CINCs, and Joint Staff in the PPBS.
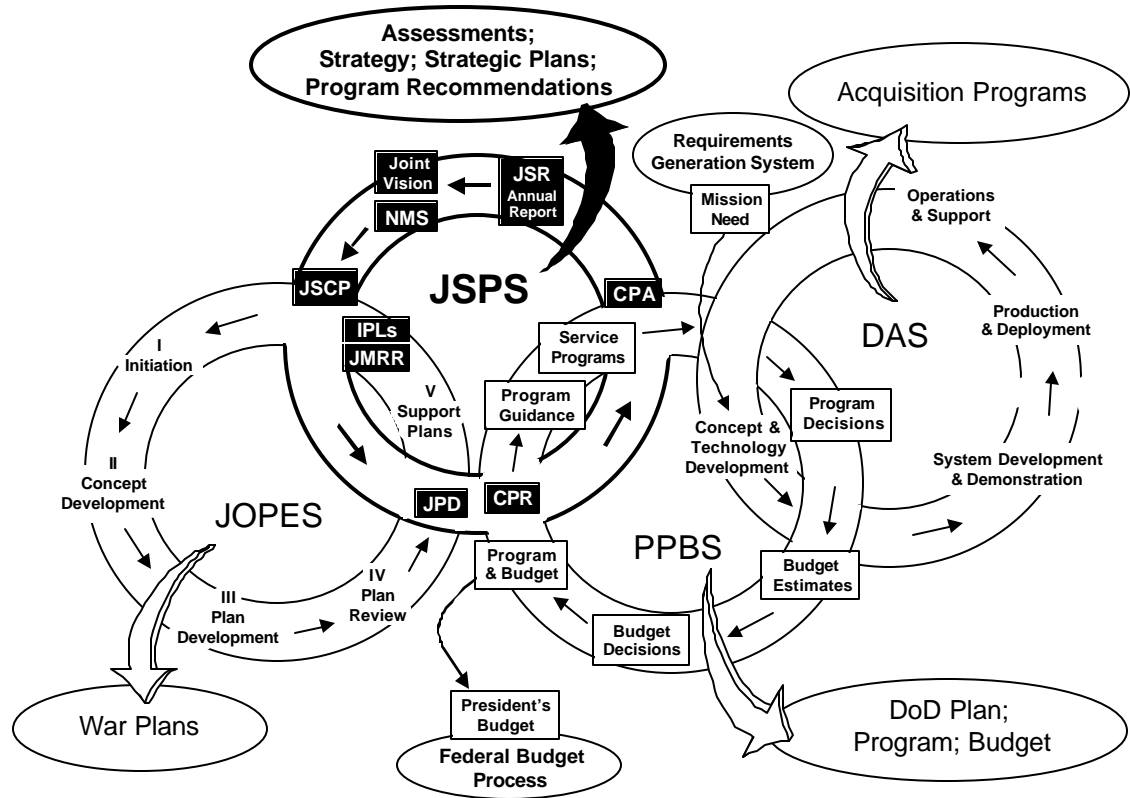
Figure 2-17. Defense Planning Interrelationships

CPA:	**Chairman's Program Assessment**	**JOPES**:	**Joint Operation Planning & Execution System**
CPR:	**Chairman's Program Recommendation**	**JPD**:	**Joint Planning Document**
DAS:	**Defense Acquisition System**	**JSCP**:	**Joint Strategic Capabilities Plan**
DoD:	**Department of Defense**	**JSPS**:	**Joint Strategic Planning System**
IPLs:	**Integrated Priority Lists**	**JSR**:	**Joint Strategy Review**
JMRR:	**Joint Monthly Readiness Report**	**NMS**:	**National Military Strategy**
		PPBS:	**Planning, Programming, & Budgeting System**

Figure 2-18 is another way of looking at how the JSPS plugs into the overall resource allocation process. Notice how some of the JSPS documents are event driven (Joint Vision and the NMS), while others are calendar driven (the JPD, CPR and CPA). JSPS-associated documents are darkened for emphasis.
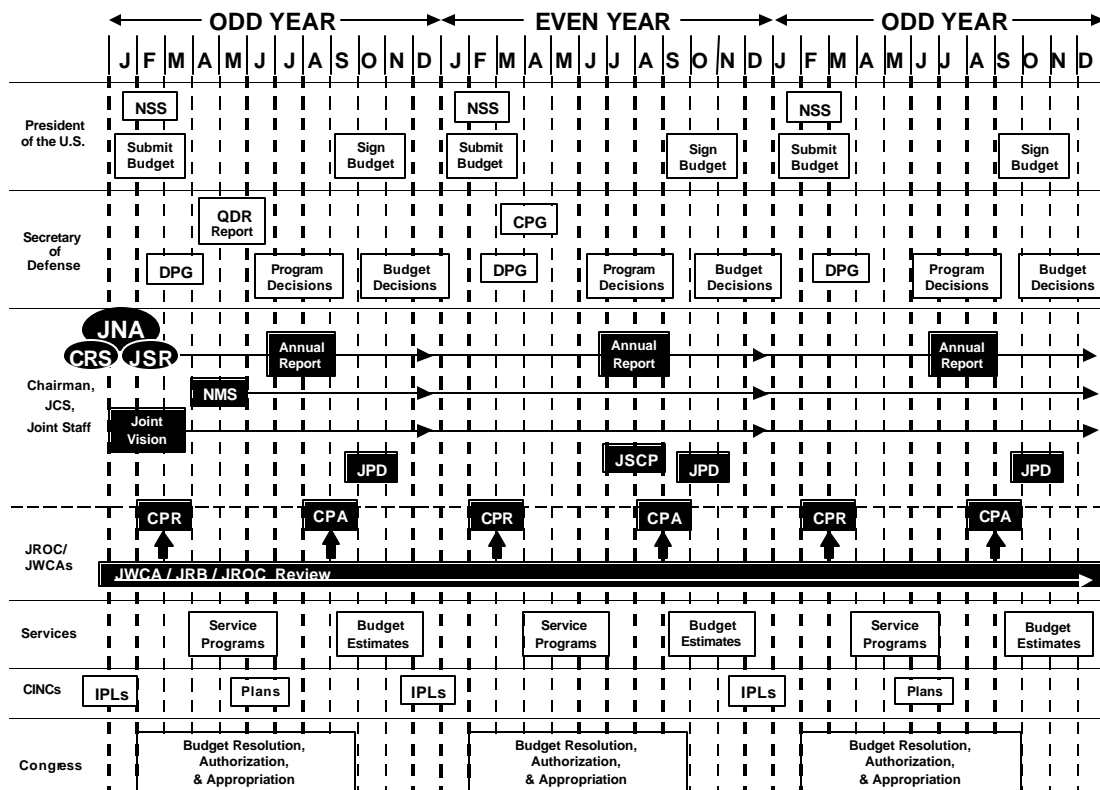
Figure 2-18. JSPS: Calendar Relationships

CPA:	Chairman's Program Assessment	**JRB:**	Joint Requirements Board
CPG:	Contingency Planning Guidance	**JROC:**	Joint Requirements Oversight Council
CPR:	Chairman's Program Recommendation	**JSCP:**	Joint Strategic Capabilities Plan
CRS:	Chairman's Readiness System	**JSR:**	Joint Strategy Review
DPG:	Defense Planning Guidance	**JWCA:**	Joint Warfighting Capabilities Assessment
IPLs:	Integrated Priority Lists	**NMS:**	National Military Strategy
JNA:	Joint Net Assessment	**NSS:**	National Security Strategy
JPD:	Joint Planning Document	**QDR:**	Quadrennial Defense Review

The submission of the President's Budget to Congress is a key benchmark in the resource allocation process and drives events in the PPBS, which in turn drive certain events in the JSPS. This diagram does not include arrows that indicate the interrelationships among the many documents we have discussed in this chapter. A good review would be to spend a little time on this calendar and see if you can work through some of these relationships. If you need some help, go back to Figure 2-15 on page 2-24 and make a comparison.

The JSPS is the first component of the resource allocation process covered in this text because it provides the strategic foundation for the rest of the components of the process. Subsequent chapters will address the remaining components in detail and will continue to bring the entire process into focus.

2-36

Bibliography

National Defense University, *Joint Forces Staff College Pub 1: The Joint Staff Officer's Guide 2000*, Norfolk, VA, 2000, http://www.jfsc.ndu.edu (click on the Joint Staff Officer's Guide link to gain access to JFSC Pub 1).

> This document (also known as the "Purple Book") is the basic textbook used by the Joint Forces Staff College. It presents the "big picture" of the complex system of joint planning and execution used by the U.S. military. Additionally, it describes joint and combined organizations and their command relationships; outlines the tools and responsibilities of action officers on a joint staff; and provides reference to additional materials useful to a joint staff officer.

The White House. *A National Security Strategy for a New Century*. Washington, DC: December 1999. http://www.info-sec.com/internet/00/internet_01300b_j.shtml.

> This document describes U.S. national interests and objectives, the threats to those interests and opportunities presented by a dynamic and uncertain security environment, and the security strategy to protect U.S. interests and achieve U.S. national objectives into the 21st century.

Secretary of Defense. *Report of the Quadrennial Defense Review (QDR)*. Washington, DC: September 2001. http://www.defenselink.mil/pubs/qdr2001.pdf.

> The National Defense Authorization Act for Fiscal Year 1997 defined the requirement for the QDR. The Department of Defense designed the QDR to be a fundamental and comprehensive examination of America's defense needs: potential threats, strategy, force structure, readiness posture, military modernization programs, defense infrastructure, and other elements of the defense program. The QDR Report is intended to provide a blueprint for a strategy-based, balanced, and affordable defense program.

National Defense Panel. *Transforming Defense: National Security in the 21st Century*. Washington, DC: December 1997. http://www.dtic.mil/ndp/FullDoc2.pdf.

> This report was required by the National Defense Authorization Act for Fiscal Year 1997. In addition to conducting a comprehensive assessment of the Quadrennial Defense Review, the National Defense Panel was required to submit an independent assessment of alternative force structures for U.S. armed forces. This report provides recommendations to SecDef and Congress regarding the optimal force structure to meet anticipated threats to U.S. national security through the year 2010 and beyond.

Chairman of the Joint Chiefs of Staff (CJCS). *National Military Strategy – Shape, Respond, Prepare Now: A Military Strategy for a New Era*. Washington, DC: 1997. http://www.dtic.mil/jcs/core/nms.html.

> This document conveys the advice of the Chairman of the Joint Chiefs of Staff and that of the Joint Chiefs of Staff on the strategic direction of U.S. armed forces in implementing the

guidance in the President's National Security Strategy and the Quadrennial Defense Review Report.

CJCS. *Joint Vision 2020*. Washington, DC: May 2000. http://www.dtic.mil/jv2020/jvpub2. htm.

This document provides the conceptual template for how the U.S. armed forces will apply its resources and leverage technological opportunities to achieve new levels of effectiveness in joint warfighting.

CJCS. *Concept for Future Joint Operations*. Washington, DC: May 1997. http://www. dtic.mil/jv2010/cfjoprn1.pdf.

This document expands the new concepts presented in *Joint Vision 2010* to provide a more detailed foundation for the follow-on capabilities assessments that are a part of the implementation process.

CJCS. *Joint Vision Implementation Master Plan*. CJCSI 3010.02A. Washington DC: 15 April 2001. http://www.dtic.mil/doctrine/jel/cjcsd/cjcsi/3010_02a.pdf.

This instruction provides joint policy and guidance for implementation of the Chairman of the Joint Chiefs of Staff's long-range vision document, *Joint Vision 2020*, and subsequent Joint Vision documents.

CINCUSJFCOM. *Joint Experimentation Campaign Plan 2000*. Norfolk, VA: 30 September 1999. http://www.dtic.mil/jv2020/cplan00.pdf.

This document describes the concepts, activities, and resources required to conduct Joint Experimentation in fiscal years 2000-2005.

CJCS. *Joint Strategic Planning System*. CJCSI 3100.01A. Washington, DC: 1 September 1999. http://www.dtic.mil/doctrine/jel/cjcsd/cjcsi/3100_01a.pdf.

This instruction provides joint policy and guidance for the function of the Joint Strategic Planning System (JSPS). It describes the process governing the operation of the JSPS and the documents that constitute the system. The instruction assigns responsibility for preparing and issuing these documents.

CJCS. *Responsibilities for the Management and Review of Theater Engagement Plans*. CJCSI 3113.01. Washington, DC: 1 April 1998. http://www.dtic.mil/doctrine/jel/ cjcsd/cjcsi/3113_01.pdf.

This instruction establishes responsibilities and procedures for the management and review of Theater Engagement Plans submitted by regional CINCs to the Chairman of the Joint Chiefs of Staff for integration into the global family of engagement plans.

CJCS. *Joint Warfighting Capabilities Assessment Process*. CJCSI 3137.01A. Washington, DC: 22 January 1999. http://www.dtic.mil/doctrine/jel/cjcsd/cjcsi/3137_01a.pdf.

This instruction provides joint policy and guidance on the role, organization, process interrelationships, management, and operation of the Joint Warfighting Capabilities Assessment Process.

CJCS. *Chairman's Readiness System*. CJCSI 3401.01B CH-1. Washington, DC: 19 June 2000. http://www.dtic.mil/doctrine/jel/cjcsd/cjcsi/3401_01b.pdf.

This instruction establishes uniform policy and procedures for assessing and reporting the current readiness of the U.S. armed forces in the Joint Monthly Readiness Review.

CJCS. *Charter of the Joint Requirements Oversight Council*. CJCSI 5123.01A. Washington, DC: 08 March 2001. http://www.dtic.mil/doctrine/jel/cjcsd/cjcsi/5123_01a.pdf.

This instruction establishes the Joint Requirements Oversight Council (JROC) as an advisory council to the Chairman of the Joint Chiefs of Staff. It delineates JROC composition and responsibilities and further defines the JROC role in the requirements and acquisition process.

CJCS. *Chairman of the Joint Chiefs of Staff, Commander in Chiefs of the Combatant Commands, and Joint Staff Participation in the Planning, Programming, and Budgeting System*. CJCSI 8501.01. Washington, DC: 1 April 1999. http://www. dtic.mil/doctrine/jel/cjcsd/cjcsi/8501_01.pdf.

This instruction identifies the functions and responsibilities for the CJCS, CINCs, and Joint Staff involvement in each phase of the Planning, Program, and Budgeting System. It also describes the Congressional budget process.

CJCS. *Theater Engagement Planning*. CJCSM 3113.01A. Washington, DC: 31 May 2000. http://www.dtic.mil/doctrine/jel/cjcsd/cjcsm/m311301a.pdf.

This manual establishes a process to globally integrate military engagement activities and sets forth guidelines and procedures for the geographic CINCs and executive agents to develop Theater Engagement Plans (TEPs). It specifies the policies, procedures, and formats to be used across the spectrum of engagement activities.

CJCS. *CJCS Guide to the Chairman's Readiness System*. CJCS 3401B. Washington, DC: 01 September 2001. http://www.dtic.mil/doctrine/jel/cjcsd/cjcsm/g3401b.pdf.

This guide explains how the Chairman's Readiness System (CRS) defines readiness, assesses readiness, addresses readiness concerns and maintains military readiness. (Note: CRS is also called the Current Readiness System.)

CJCS. *Joint Pub 5-0, Doctrine for Planning Joint Operations*. Washington, DC: 13 April 1995. http://www.dtic.mil/doctrine/jel/new_pubs/jp5_0.pdf.

This publication is the keystone document of the joint planning series. It sets forth fundamental principles and doctrine that guide planning by U.S. armed forces in joint or multinational operations.

U.S. Code. http://www4.law.cornell.edu/uscode.

This website lists the laws in force as of December 20, 2000. Those that pertain to the *U.S. Armed Forces* are found under Title 10 and those that pertain to *National Defense* are found under Title 50.

Chapter 3
Planning, Programming, and Budgeting System

The intent of this chapter is to give you a working understanding of the PPBS and how it contributes to resource allocation decisions. Figure 3-1 provides a general sense of the PPBS cycle and illustrates how it interacts with the other components of the defense resource allocation process.
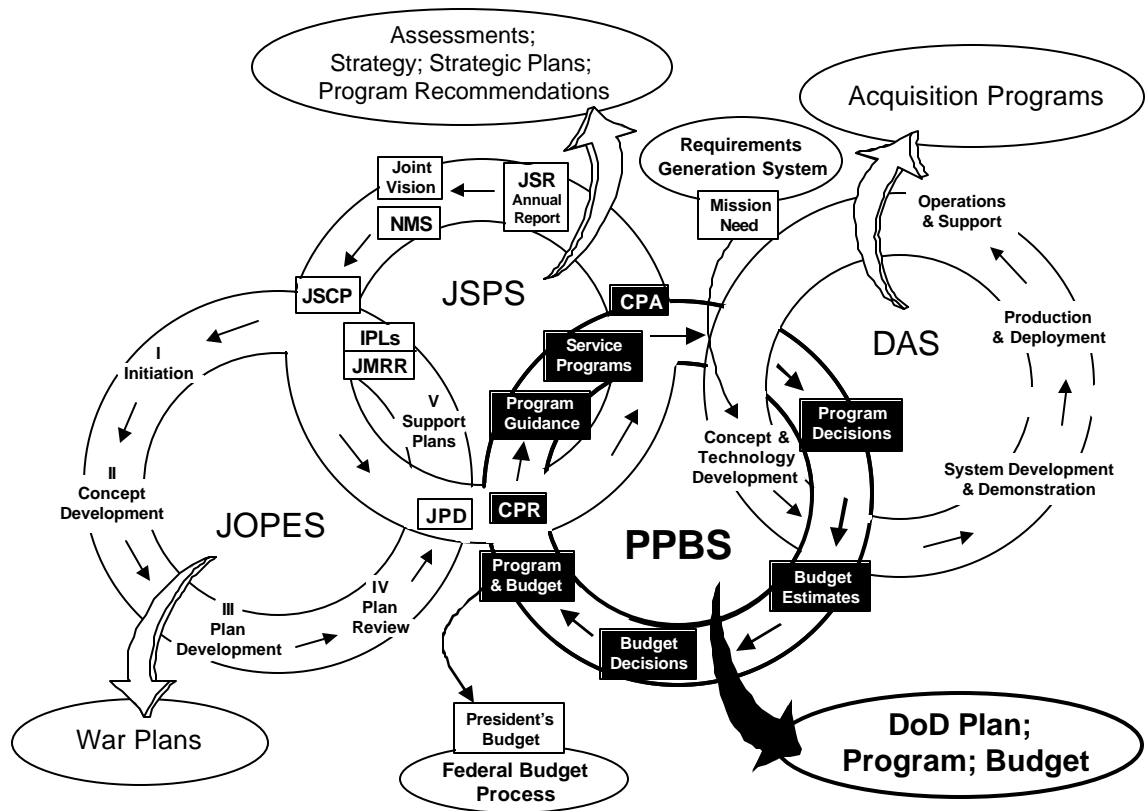
Figure 3-1. PPBS: Strategy to Budget

CPA:	Chairman's Program Assessment	**JOPES:**	Joint Operation Planning & Execution System
CPR:	Chairman's Program Recommendation	**JPD:**	Joint Planning Document
DAS:	Defense Acquisition System	**JSCP:**	Joint Strategic Capabilities Plan
DoD:	Department of Defense	**JSPS:**	Joint Strategic Planning System
IPLs:	Integrated Priority Lists	**JSR:**	Joint Strategy Review
JMRR:	Joint Monthly Readiness Report	**NMS:**	National Military Strategy
		PPBS:	Planning, Programming, & Budgeting System

Purpose

The Planning, Programming, and Budgeting System (PPBS) provides the Secretary of Defense a formal, systematic structure for making decisions which links the overall national security strategy to specific defense programs. It produces a plan, a program and, finally, a budget for the Department of Defense (DoD). The budget is forwarded to the President for his approval. The President's Budget is then submitted to Congress for authorization and appropriation.[1] In addition to preparing a defense budget, the SecDef is required to submit to Congress each year a Future-Years Defense Program (FYDP) reflecting the estimated expenditures and proposed appropriations included in the DoD portion of the President's Budget.[2]

The ultimate objective of PPBS is to provide the combatant commanders (CINCs) with the best mix of forces, equipment, and support attainable within fiscal constraints. So while many think of the defense budget as the output of PPBS, the budget is really a means to the end. In this light, the purpose of PPBS is to make a proposal that will field the forces and capabilities required to execute our defense strategy.

Past

The Rand Corporation developed the conceptual basis for the PPBS in the 1950s; in 1962 Defense Secretary Robert McNamara introduced it to DoD. Up to that time, each service prepared its budget with very little coordinating effort on the part of the SecDef. The PPBS instituted a top-down approach and was intended to allocate resources for national defense in a more rational, systematic manner, relating more directly to the mission and role of DoD. One of the most significant and enduring aspects of the PPBS was McNamara's creation of the "Five-Year Defense Plan" that provided a multi-year focus. It is now a six-year plan called the Future-Years Defense Program (FYDP) and remains the heart of the PPBS.[3]

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[1] Department of Defense, *The Planning, Programming and Budgeting System (PPBS)*, DoDD 7045.14 (Washington, DC: 22 May 1984, http://web7.whs.osd.mil/pdf/d704514p.pdf). This DoD Directive is a four-page document that establishes the basic policy, procedures, and responsibilities for the PPBS. This document is supported by Department of Defense, *Implementation of the Planning, Programming and Budgeting System (PPBS)*, DoDI 7045.7 (Washington, DC: 23 May 1984, http://web7.whs.osd.mil/pdf/i70457p.pdf). This DoD Instruction establishes more detailed procedural guidance for the formulation, submission, analysis, review and approval of DoD plans, programs and budgets. Although these are older documents and contain some dated information, they serve as important reference sources for the PPBS. Many of the phrases and descriptions used in this chapter are from these source documents.

[2] *U.S. Code, Title 10 – Armed Forces*, Section 221(a). A detailed listing of U.S. Codes that affect defense resource allocation can be found in Appendix 2 of this textbook.

[3] *How the Army Runs: A Senior Leader Reference Handbook (2001 - 2002)*, (Carlisle Barracks, PA: U.S. Army War College, 15 May 2001, http://carlisle-www.army.mil/usawc/dclm, click on "How the Army Runs" link), pp. 9-1 to 9-3. Credit for this historical review of the PPBS goes to the faculty in the Department of Command, Leadership and Management at the U.S. Army War College.

The first major change to the PPBS occurred in 1969 when Secretary of Defense Melvin Laird decentralized the PPBS. The Office of the Secretary of Defense (OSD) no longer initiated detailed program proposals. Instead, OSD used specific budgetary ceilings to frame the process, then reviewed the detailed proposals submitted by the services.

In 1979, as the result of another Rand Corporation study, Secretary of Defense Harold Brown formed the Defense Resources Board (DRB) to better manage the PPBS. The DRB has remained as an active and influential decision-making body and is often referred to as the SecDef's "board of directors for resource allocation."

In the early 1980s, during the Reagan Administration, the PPBS underwent numerous changes as a result of the "Weinberger-Carlucci Initiatives."[4] These initiatives provided for:

- Greater emphasis on long-range planning.

- More authority pushed down to the services.

- More attention to cost savings and efficiencies.

- A change in DRB membership (including Service Secretaries as full members).

- A change in the DRB focus to major issues only.

- An increased DRB influence during the planning phase of the PPBS.

- Greater CINC participation during DRB deliberations in both the planning and programming phases.

In 1984, Deputy Secretary of Defense Taft implemented additional initiatives to give the CINCs even more influence:

- Submission of CINC Integrated Priority Lists to the SecDef and the CJCS.

- Greater role for the Joint Chiefs of Staff in the review and coordination of the CINCs' priorities and concerns.

- Better means of tracking the CINCs' priorities during program development and execution.

In response to recommendations from the Packard Commission and the Defense Authorization Act of 1986, President Reagan directed DoD to produce a two-year budget. In response, OSD and the services implemented a biennial PPBS process. Since Congress, however, still requires an annual budget submission, DoD is required to conduct an off-cycle update for the second budget year.

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[4] Vince Puritano, "The Weinberger-Carlucci Initiatives," *Defense*, June 1982, pp. 2 to 11. This article was written 14 months after the DoD began its effort to improve the resource allocation process and provides a progress report on the implementation of the initiatives developed by Secretary of Defense Caspar Weinberger and Deputy Secretary of Defense Frank Carlucci.

Another key event in 1986 was the Goldwater-Nichols Department of Defense Reorganization Act (GNA). This Act enhanced the Chairman's position as the principal military advisor to the President, the National Security Council, and the SecDef. The GNA added the following responsibilities to this advisory role that has increased CJCS influence on the SecDef's planning, programming, and budget decisions:[5]

- Advise the SecDef on the priorities of the requirements identified by the CINCs.

- Advise the SecDef on the extent to which the program recommendations and budget proposals of the military departments and other components of DoD conform with the priorities established in strategic plans and with the priorities established for the requirements of the CINCs.

- Submit to the SecDef alternative program recommendations and budget proposals to achieve greater conformance with the priorities of the CINCs.

You saw in Chapter 2 that this congressional action stimulated the evolution of the Joint Requirements Oversight Council and the Chairman's decision to institute the Joint Warfighting Capabilities Assessment process. The JROC, supported by the JWCA process, now assists the CJCS in fulfilling GNA-mandated responsibilities.

The Military Force Structure Review Act of 1996 mandated a quadrennial review of the defense program at the beginning of each newly elected Presidential administration, beginning in 1997. The Quadrennial Defense Review (QDR) involves a comprehensive examination of defense strategy, the force structure of the active, guard, and reserve components, force modernization plans, infrastructure, and other elements of the defense program and policies in order to determine and express the defense strategy of the United States and to establish a revised defense program through the year 2005 for the 1997 report, and year 2010 for the 2001 report.

Subsequent administrations have continued to refine and streamline the PPBS with the view toward improving its efficiency and effectiveness. In August 2001, Defense Secretary Donald Rumsfeld changed the PPBS from sequential to concurrent program and budget reviews for the FY03 budget. The schedule had to be compressed because many of the new Administration's appointees were not confirmed until late spring of 2001 and the services needed time to adjust their budgets after the QDR was issued in late September 2001. Although this concurrent program and budget review is specifically for the FY03 budget, many in the Pentagon believe this change could become permanent. In essence, the concurrency decreases the duplicative work in the programming and budgeting phases and speeds decision-making. This Administration believes that streamlining this major institutional process will reduce the complexity and relative size of the Defense Department.

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[5] U.S. Congress, House of Representatives, *Goldwater-Nichols Department of Defense Reorganization Act of 1986*, Report 99-824, 99th Congress, 2d Session, (Washington, DC), Section 153(a).

Process

Process Overview

Chapter 2 addressed the Joint Strategic Planning System (JSPS) and its role in conducting strategic assessment, then developing strategic direction, strategic plans, and programming advice. A key effort in JSPS is to ensure effective linkage between strategy and capabilities. This effort flows from JSPS into PPBS through the Chairman's planning and programming advice in the form of the Joint Planning Document (JPD) and the Chairman's Program Recommendation (CPR); both are designed to influence the formulation of the Secretary of Defense's (SecDef) Defense Planning Guidance (DPG). The strategic vision, national military strategy, and force requirements developed in JSPS are translated into budgetary requirements in PPBS. Figure 3-2 illustrates this interaction between JSPS and PPBS. JSPS represents a significant part of the first "P" in the PPBS.
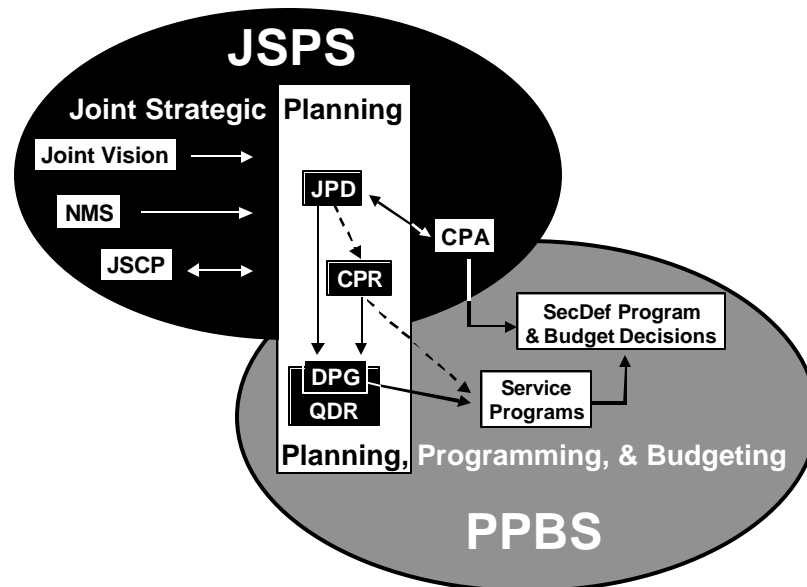
Figure 3-2. JSPS - PPBS Interface

CPA:	Chairman's Program Assessment	JSPS:	Joint Strategic Planning System
CPR:	Chairman's Program Recommendation	NMS:	National Military Strategy
DPG:	Defense Planning Guidance	PPBS:	Planning, Programming, & Budgeting System
JPD:	Joint Planning Document	QDR:	Quadrennial Defense Review
JSCP:	Joint Strategic Capabilities Plan		

The SecDef reviews this input from the JSPS along with input from virtually every organization and agency in DoD to determine if adjustments are required to the current defense strategy and the DoD program to support the strategy. The strategy and key planning and programming priorities necessary to execute the defense strategy make up the SecDef's guidance (the DPG) to the services and DoD agencies that build programs (POMs). During the programming phase, the services and agencies develop and submit proposed programs for review. The DepSecDef, with the assistance of the DRB and CPA input from the CJCS, assesses the POMs and publishes the final decisions on the programs in the PDMs. The services modify their POMs

according to these program decisions. In the Budgeting Phase, the approved programs are translated into budget data that is compiled, reviewed, and modified as necessary. The final product is DoD's portion of the President's Budget. In order to facilitate your assimilation of this rather complex process, we will cover the PPBS one phase at a time.

Figure 3-3 represents the basic PPBS cycle; it depicts the functional activities of each phase of the process as just described in the process overview. We will build onto this basic diagram as we work our way through each of the three phases.
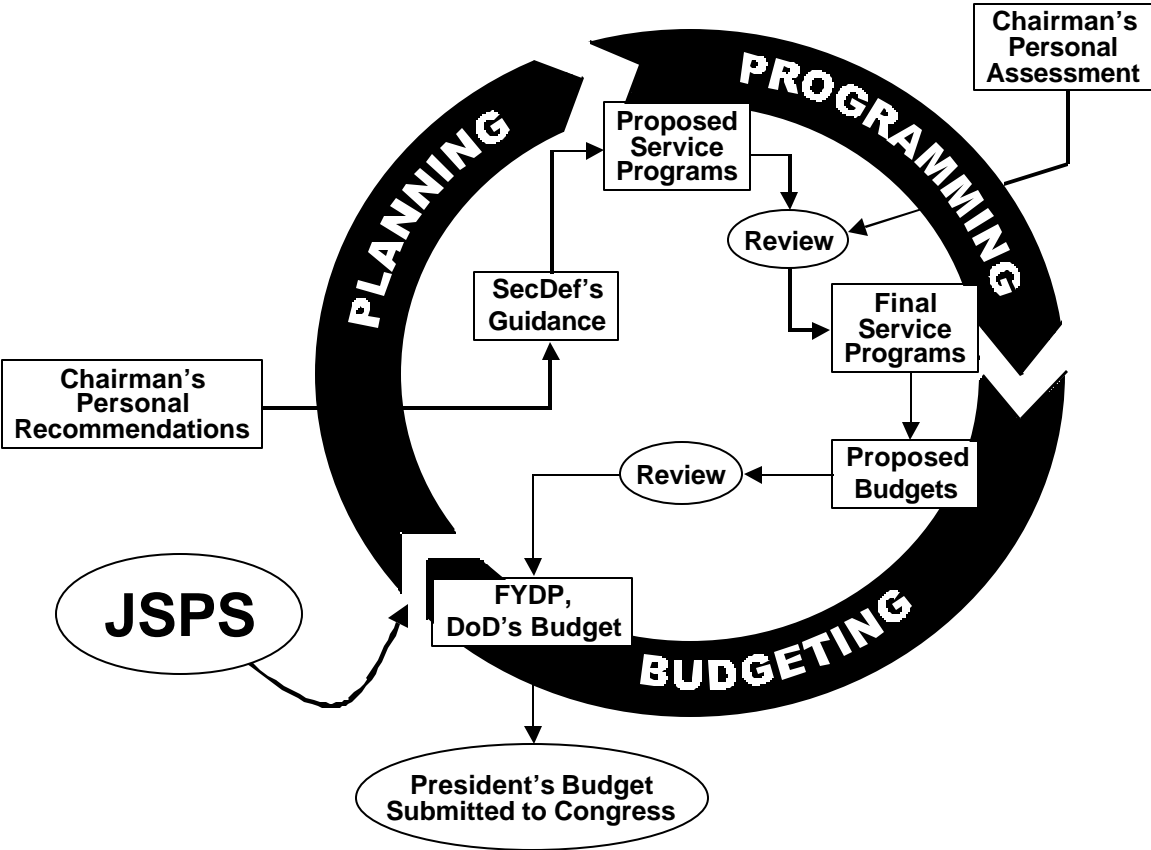
Figure 3-3. PPBS: The Basic Process

Planning Phase

Figure 3-4 focuses on the planning phase of the PPBS. The planning activity in this phase is based on the Quadrennial Defense Review (QDR). Since the PPBS however, must be executed on an annual cycle, each cycle begins with the formulation of the DPG, which updates and refines information from the preceding QDR. It is important to emphasize that the DPG is not written overnight or in a vacuum. The DPG is developed over time, with participation of virtually every organization within DoD. Conversely, the Fiscal guidance (FG) is a closely held document, prepared by OSD (PA&E) and signed by DepSecDef, that provides each services' and agencies' top line funding, or total amount that each budget may not exceed. The endgame of the planning phase is to provide planning, programming, and fiscal guidance that will optimize the allocation of resources across DoD.
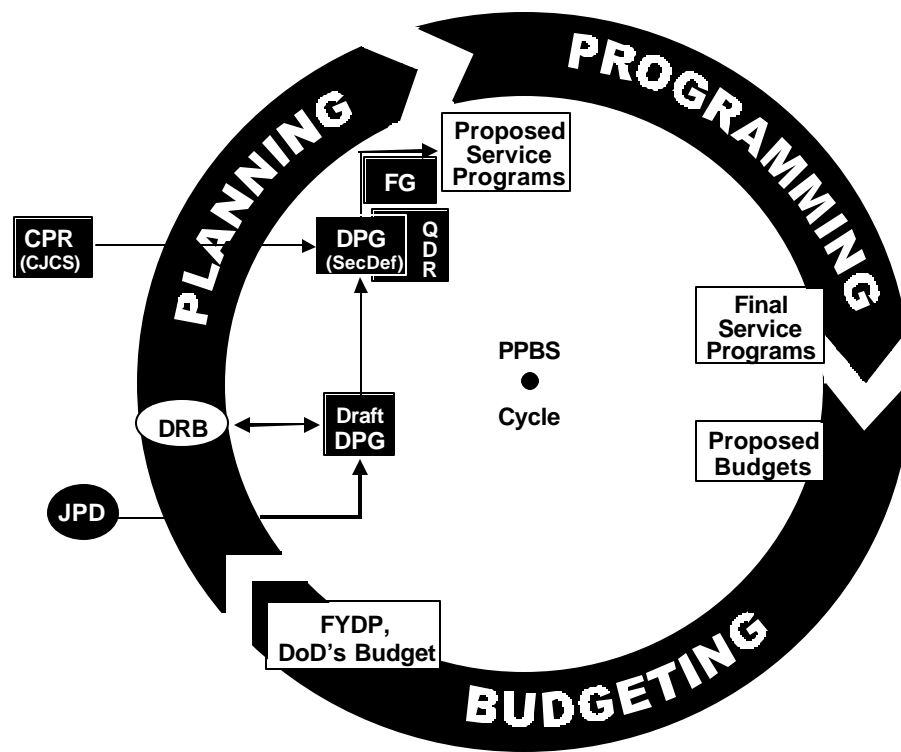
Figure 3-4. PPBS: Planning Phase

CJCS:	Chairman of the Joint Chiefs of Staff	**DRB:**	Defense Resources Board
CPR:	Chairman's Program Recommendations	**FYDP:**	Future-Years Defense Program
DoD:	Department of Defense	**JPD:**	Joint Planning Document
DPG:	Defense Planning Guidance	**PPBS:**	Planning, Programming, & Budgeting System
FG:	Fiscal Guidance	**QDR:**	Quadrennial Defense Review

The USD (Policy) and the Director of PA&E take the lead in drafting the DPG. The Defense Resources Board (DRB) oversees the drafting process until the final version is issued. Figure 3-5 represents the drafting process in more detail.
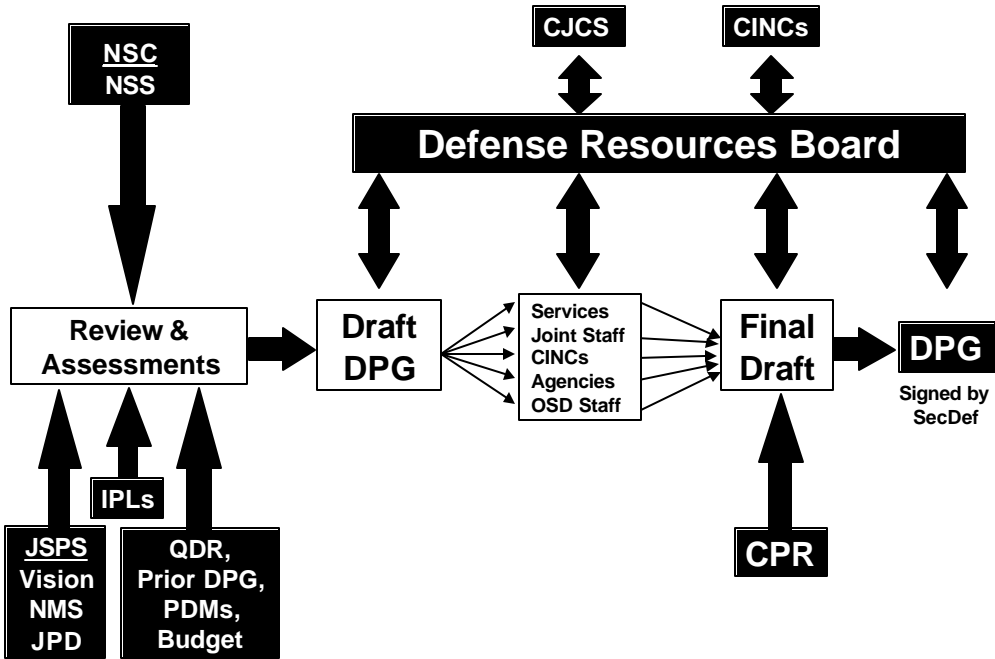
Figure 3-5. Drafting the DPG

CINCs:	Commanders-In-Chief	NMS:	National Military Strategy
CJCS:	Chairman of the Joint Chiefs of Staff	NSC:	National Security Council
CPR:	Chairman's Program Recommendations	NSS:	National Security Strategy
DPG:	Defense Planning Guidance	OSD:	Office of the Secretary of Defense
IPLs:	Integrated Priority Lists	PDMs:	Program Decision Memoranda
JPD:	Joint Planning Document	QDR:	Quadrennial Defense Review
JSPS:	Joint Strategic Planning System		

Programming Phase

Issuance of the DPG represents the end of the planning phase of the PPBS and initiates the programming phase. The programming phase focuses on the development of POMs and the integration of those POMs into a coherent defense program to support the warfighting requirements of the CINCs. The FYDP gets updated based on the data submitted in the POMs. Figure 3-6 adds some of the details involved in converting the SecDef's guidance into approved programs.
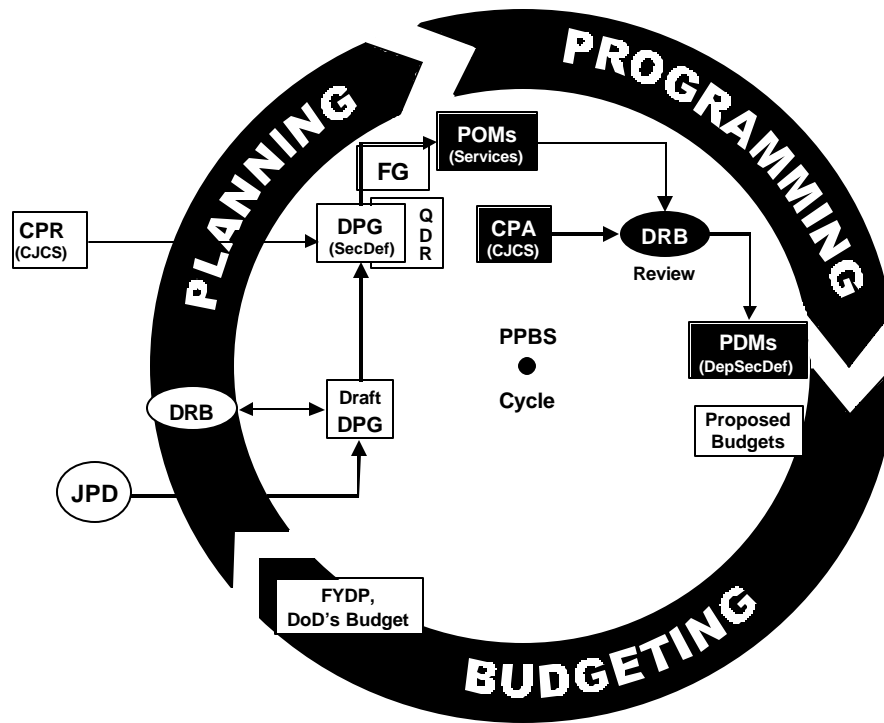
Figure 3-6. PPBS: Programming Phase

CJCS:	**Chairman of the Joint Chiefs of Staff**	**FYDP:**	**Future-Years Defense Program**
CPA:	**Chairman's Program Assessment**	**JPD:**	**Joint Planning Document**
CPR:	**Chairman's Program Recommendation**	**PDMs:**	**Program Decision Memoranda**
DoD:	**Department of Defense**	**POMs:**	**Program Objective Memoranda**
DPG:	**Defense Planning Guidance**	**PPBS:**	**Planning, Programming, & Budgeting System**
DRB:	**Defense Resources Board**	**QDR:**	**Quadrennial Defense Review**
FG:	**Fiscal guidance**		

POM Development

The first event in the programming phase is POM development. Do not get the impression that the services have been waiting patiently for the DPG to be published to start developing their POMs. Recall that the program period covered in a POM extends four or more years beyond the next budget year. Therefore, it is a matter of making adjustments from the previous POM and projecting yet another year. The services have been fully engaged in the planning that led up to the DPG; they have conducted their own internal planning, and developed a near-complete picture of the programs they will submit in their POMs. When the DPG is published, there may still be contentious issues, but no surprises.

Each service has its own method of selecting programs and choosing those programs that get fully funded, partially funded, delayed, or canceled.[6] POMs represent the result of the services' analyses of alternative ways to meet their requirements to organize, train, and equip forces. Hence, the POMs articulate the decisions that the services and agencies make to optimize the allocation of resources within their respective organizations. POMs also reflect the effect of reduced resources, propose new initiatives, and provide options for the use of additional funds should any be available.

Summer Review Process

The DepSecDef initiates the program review process by publishing a Major Issues List that identifies issues to be reviewed over the summer. These issues are generally designed to assess whether service and defense agency POMs have implemented key QDR decisions and comply with the DPG program guidance. An OSD-led team of analysts from the services, Joint Staff, and OSD staffs assesses each issue. The teams report to the Program Review Group (PRG) and, if necessary, propose alternatives to the POMs for approval by the PRG before their alternatives are briefed to the DRB.

In addition to the Major Issues List, services, CINCs, the Joint Staff, and defense agencies have the opportunity to nominate other POM issues for consideration by the Major Issue Teams, or to address them by stand-alone issue papers. PA&E forwards the issue papers to the PRG for comment. Near the end of the summer review, the Director of PA&E forwards the issue papers with the PRG's comments and PA&E's recommendations to the DepSecDef for a decision.

As we have seen, the CPA provides the Chairman's views on the composite POM force and the risks associated with that force. It documents the Chairman's assessment of the overall balance and adequacy of the composite POM force and support levels in view of approved strategy and the requirements of the CINCs. The CJCS also uses the CPA to recommend alternatives to achieve improvements in overall warfighting capability within the POM funding levels.

In addition to the input provided by the Major Issue Teams, issue papers, and the CPA, the DRB gets input directly from the CINCs. Usually, there is a DRB session scheduled specifically for the CINCs to provide their views on the defense strategy, the adequacy of the POMs to meet that strategy, and on any matters of concern.

Based on alternatives developed and briefed through the PRG/DRB, CPA, or issue paper processes, the DepSecDef documents all decisions to change the POMs in the Program Decision Memoranda (PDMs). The PDMs are the final documents of the programming phase. There are two PDMs: PDM I is issued in August before the BESs are due to OSD; it documents changes to the POMs that have no associated issues or issues more easily resolved. PDM II is released in September and decides issues that require more deliberation or analysis to resolve. PDMs also direct program studies called front-end assessments to be completed in time for the next program cycle.

Before we move on to the budgeting phase of the PPBS, go back and review Figure 3-6. It summarizes the PPBS process through the programming phase. Note that this phase begins with POM development, includes an extensive review of these POMs, and concludes with the PDMs

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[6] Appendix 3 of this text provides further detail on the services' & SOCOM's planning, programming, and budgeting processes.

that approve the POMs or give direction to the services or agencies to modify specific programs. The POM development processes used by the services and agencies provide for the optimization of resources within these organizations. The summer review process allows the SecDef to evaluate the POMs and make adjustments that optimize the allocation of resources across DoD.

Budgeting Phase

Figure 3-7 provides additional details to the budgeting phase of the PPBS, which is the final phase of the PPBS process. During this phase, the services, DoD agencies, and USSOCOM prepare their Budget Estimate Submissions (BESs). The BESs translate the programmatic decisions made in the Major Force Program (MFP) format during the programming phase into funding requirements in the congressional appropriations format as shown in Figure 3-13 on page 3-27. These estimates are consolidated into the defense budget and reviewed by OSD and OMB to ensure consistency with fiscal guidance. Changes to the budget are documented in the PBDs. Once the final budget decisions are made, the DoD budget becomes a part of the President's Budget. The FYDP is updated twice during this phase: upon submission of the BESs and again with the submission of the DoD budget to the President.
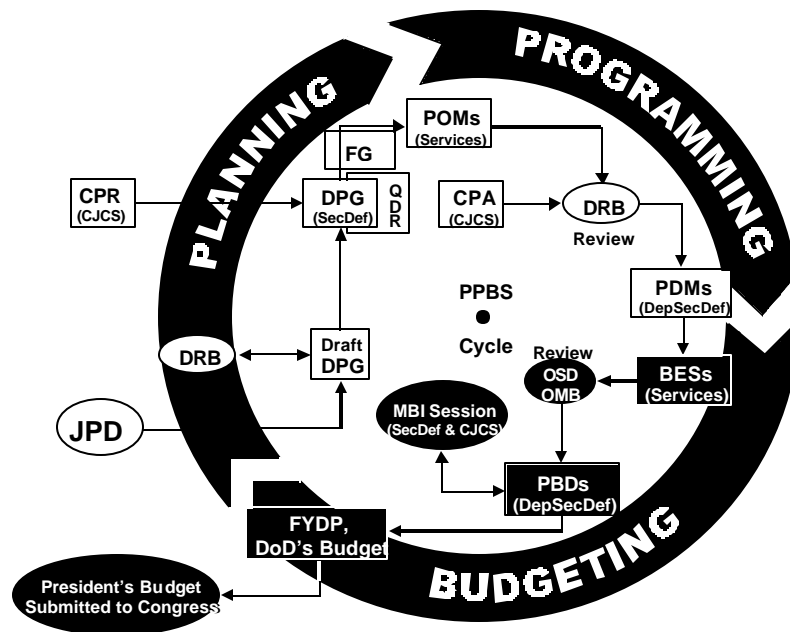
Figure 3-7. PPBS: Budgeting Phase

BESs:	**Budget Estimate Submissions**	**JPD**:	**Joint Planning Document**
CJCS:	**Chairman of the Joint Chiefs of Staff**	**MBI:**	**Major Budget Issues**
CPA:	**Chairman's Program Assessment**	**OMB:**	**Office of Budget & Management**
CPR:	**Chairman's Program Recommendation**	**OSD**:	**Office of the Secretary of Defense**
DoD:	**Department of Defense**	**PBDs**:	**Program Budget Decisions**
DPG:	**Defense Planning Guidance**	**PDMs:**	**Program Decision Memoranda**
DRB:	**Defense Resources Board**	**POMs:**	**Program Objective Memoranda**
FYDP:	**Future-Years Defense Program**	**PPBS:**	**Planning, Programming, & Budgeting System**
FG:	**Fiscal Guidance**	**QDR:**	**Quadrennial Defense Review**

Similar to the POM development process, preparation of the BESs begins before the PDMs are published. The services compile and review their budget data while OSD reviews the services' POMs. The final adjustments to the BESs are made on the basis of the SecDef's program decisions (PDMs) and economic assumptions developed by the USD (Comptroller) in close coordination with the Director of the OMB.

The BESs include budget data for the prior, current, and budget fiscal years. For programs requiring Congressional authorization, they will also include data for one year beyond the budget year.

On receipt of the BESs, OSD and OMB budget analysts conduct a joint review. The USD (Comptroller) may hold hearings to review specific budget issues and the services and OSD program advocates are prepared to make presentations concerning their submissions and respond to questions. This budgetary "scrub" is largely concerned with program activity in the acquisition process. (You will learn more about the acquisition process in Chapter 4.) Most programs in the acquisition cycle are multi-year programs that involve somewhat risky cost estimations that cover the life of the program. Due to a variety of influences, these programs can break cost, schedule, or performance thresholds and therefore affect budget projections. For example, if an acquisition program has not met established goals for obligation and expenditure during the current fiscal year, those excess funds can be allowed to slip into a future year. This would allow a decrease in the funding requirement in that future year.

As the review progresses, the Program Budget Decisions (PBDs) are drafted and provided to the services and DoD agencies, giving them an opportunity to disagree with the PBD recommendation; provide supplemental or new information that addresses the basic argument and assumptions of the PBD; or present an alternative position. This is referred to as the reclama process. After considering the responses to a draft PBD, the USD (Comptroller) submits a summary document to the DepSecDef for decision and signature of a final PBD.

Once the PBDs are signed, the services and the CINCs get one last opportunity to submit outstanding budget issues. Many of these are resolved on an "out-of-court" basis. Those of a more critical nature are considered Major Budget Issues (MBIs) and are resolved in a session between the Service Secretary and the SecDef. The CJCS also attends this meeting, representing the views and concerns of the JCS and the CINCs.

The services revise their budgets to support the decisions resulting from the budget review process (PBDs). The DoD budget is now ready for inclusion into the President's Budget. The FYDP is updated to reflect DoD's portion of the President's Budget. This ends the budgeting phase and also completes the PPBS cycle.

Concurrent Program and Budget Review

Figure 3-8 shows Defense Secretary Donald Rumsfeld's concurrent program and budget reviews for FY03 which combines the programming and budgeting phases. The reviews evaluate the POMs/BESs for conformity with the DPG and FG.
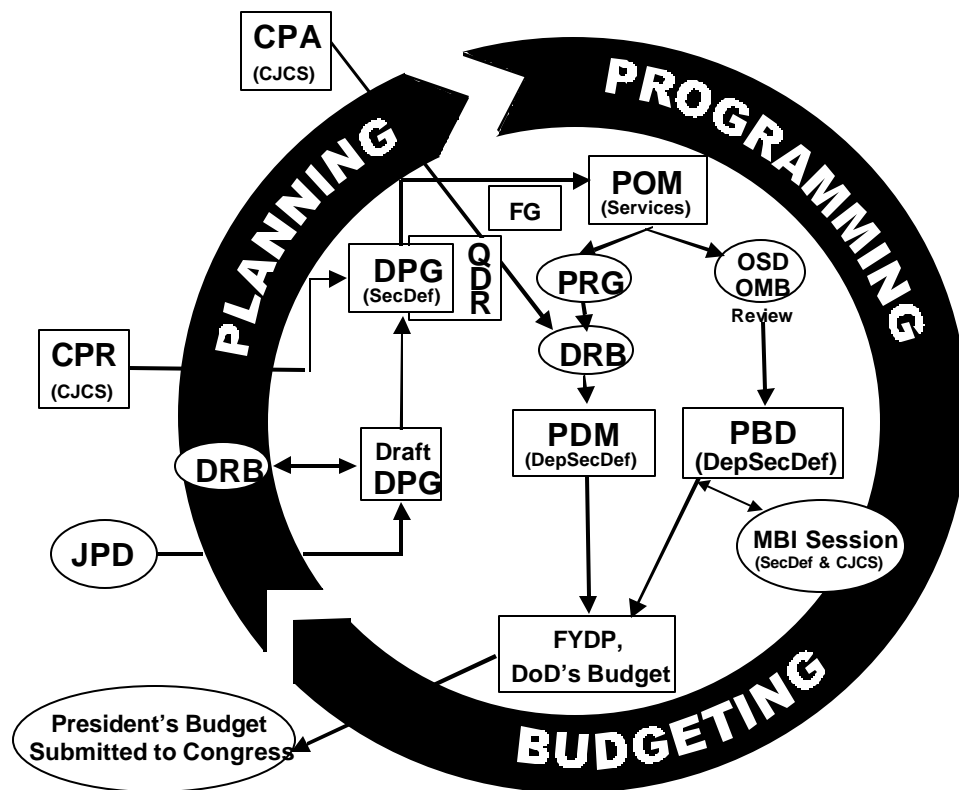
Figure 3-8. PPBS: Rumsfeld's Concurrent Programming & Budgeting Phase

The program reviews consider only those issues that represent significant resources or entail policy questions. The secretaries of the military departments, CINCs, OSD, Directors of Defense Agencies, and Joint Staff may each nominate up to 5 issues. OSD(PA&E) forms issue teams to assess nominated issues. Issue teams prepare issue papers that present their issues and identify alternatives for SecDef consideration. Alternative 1 is always the POM; the other alternatives reflect changes to the POM. The issue team must identify offsets equal to the resources of the most costly alternative and state why the offset can reasonably be sacrificed to fund the alternative(s). In essence, they can advocate increases to their program's funding, but must also recommend cuts in other programs so that there is no net increase to the POM topline. Issue papers are presented to the PRG and DPG. The DepSecDef will make the final decision. Decisions will be assembled into a single summary Program Decision Memorandum at the end of the program review process.

The budget review will not duplicate or revisit the program review. The main objectives of the budget review are to validate budget year executability, phasing, and pricing; to incorporate prior year execution history when not fully considered in the submission; and to reflect congressional action and economic changes (such as pay raises). The OSD(Comptroller) and OMB staffs analyze the BES and SecDef/DepSecDef issue Program Budget Decisions (PBDs). USD(AT&L), USD(Policy), USD (Personnel and Readiness), Assistant Secretaries of Defense, General Counsel, OMB, Military Departments, Defense Agencies, OSD(PA&E), and the Joint Staff receive PBDs for formal coordination. A Major Budget Issue is the last reclama. The budget issue must be perceived as such a serious budget issue that it warrants the Service Secretary's personal attention.

3-13

Concurrent program and budget reviews are a collaborative effort between program analysts and budget analysts. Issues are considered either in the program review or in the budget review, but not both. This concept modifies the PPBS from a sequential process (build POM, review POM, issue PDM, build BES, review BES, issue PBD) to one where the POM and BES are jointly submitted and the reviews occur simultaneously.

The timeline for the FY03 reviews was compressed because many of the new Administration's appointees were not confirmed until late spring of 2001, the services needed time to adjust their budgets after the QDR was issued in late September 2001, and the Army and Navy POM databases were affected by the 11 September 2001 terrorist attack on the Pentagon. Contrast the aggressive initial schedule (shown below) to the idealistic timeline (shown in Figure 3-15 on page 3-29).

15 Oct 01	Submit service POM and BES, except for Army
5 Nov	Submit Army BES
6 Nov	DRB meetings commence
7 Dec	Summary PDM
14 Dec	Final PBD
18 Dec	Major Budget Issue meeting
19 Dec	Final Presidential decisions
21 Dec	Lock OSD database
4 Jan 02	Budget submission to OMB
11 Jan	Lock OMB database
25 Jan	Budget documents to printing
4 Feb	Budget submission to Congress

It will be interesting to see if concurrent program and budget reviews will become a permanent change to the PPBS.

Process Summary

Using Figure 3-9, take some time to review the entire PPBS cycle. Refer to it as you read through the highlights of the process.
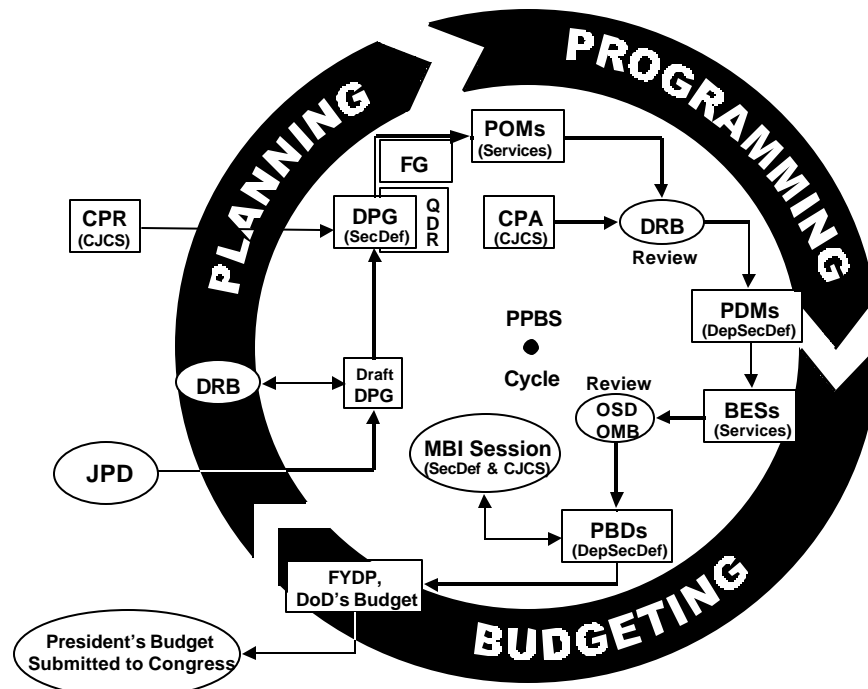
Figure 3-9. PPBS: Complete Cycle

BESs:	**Budget Estimate Submissions**	**JPD:**	**Joint Planning Document**
CJCS:	**Chairman of the Joint Chiefs of Staff**	**MBI:**	**Major Budget Issues**
CPA:	**Chairman's Program Assessment**	**OMB:**	**Office of Budget & Management**
CPR:	**Chairman's Program Recommendation**	**OSD:**	**Office of the Secretary of Defense**
DoD:	**Department of Defense**	**PBDs:**	**Program Budget Decisions**
DPG:	**Defense Planning Guidance**	**PDMs:**	**Program Decision Memoranda**
DRB:	**Defense Resources Board**	**POMs:**	**Program Objective Memoranda**
FYDP:	**Future-Years Defense Program**	**PPBS:**	**Planning, Programming, & Budgeting System**
FG:	**Fiscal Guidance**	**QDR:**	**Quadrennial Defense Review**

PPBS Highlights:

- The CJCS uses the JSPS to develop strategic vision (Joint Vision), military strategy (NMS), and requirements (JPD and CPR).

- The SecDef develops the DPG through a rigorous process that considers the direction and guidance from the NSC; documentation from the previous budget; recommendations from the JPD and CPR; inputs from the CINCs and services; and review of the DRB.

- Based on the DPG and the Fiscal Guidance, the services and agencies make their resource allocation decisions, then finalize and submit their POMs. The FYDP is updated to reflect the POM data.

- The DepSecDef reviews the POMs and issues the final programming decisions in the PDMs after considering the input from the CPA, CINCs, and DRB deliberations.

- The services and agencies develop BESs that translate the DepSecDef's programming decisions into budgetary requirements. After OSD/OMB review and the resolution of budget issues, the DepSecDef issues the final budget decisions in the PBDs. The DoD budget is then submitted to the President. The FYDP is updated to reflect DoD budget data included in the President's Budget.

JROC/JWCA Support

The JROC and JWCA process did not receive much attention in this chapter; however, they are actively engaged throughout the entire PPBS cycle. The JROC, supported by the JWCA process, is continuously working critical resource issues that support the JSPS and provide assessments that help shape the Chairman's programming recommendations to the SecDef. Both the CPR and CPA affect the decisions made by the SecDef during the PPBS cycle. Figure 3-10 is a reminder of the decision support provided by the JROC throughout the resource allocation process.
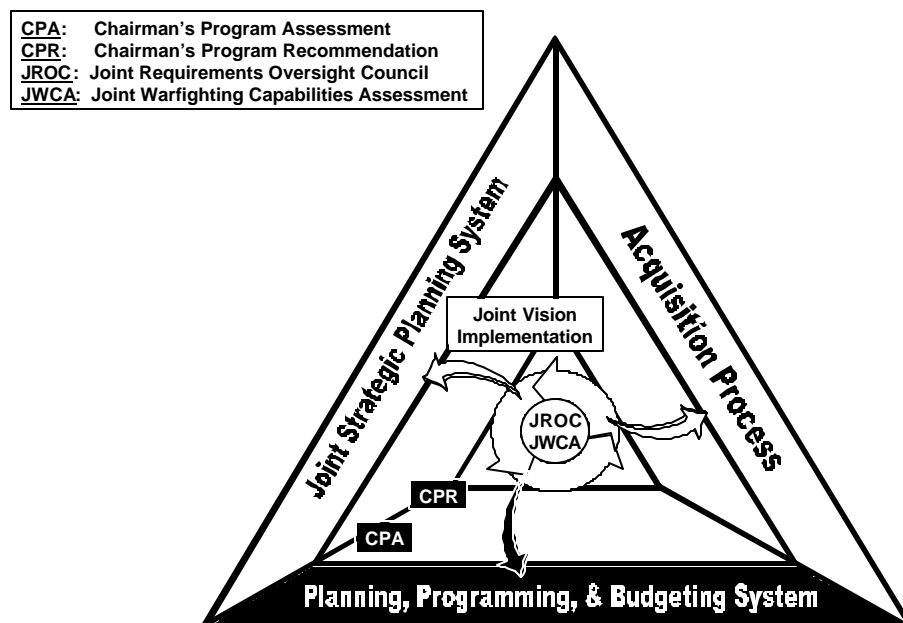
Figure 3-10. JROC/JWCA Support of the PPBS

CINC Influence

An important objective of the PPBS is to provide the CINCs with the best mix of forces, equipment, and support attainable within fiscal constraints. It is reasonable that the CINCs should be able to influence the process designed to support them. Figure 3-11 highlights the extent to which the CINCs influence the PPBS.
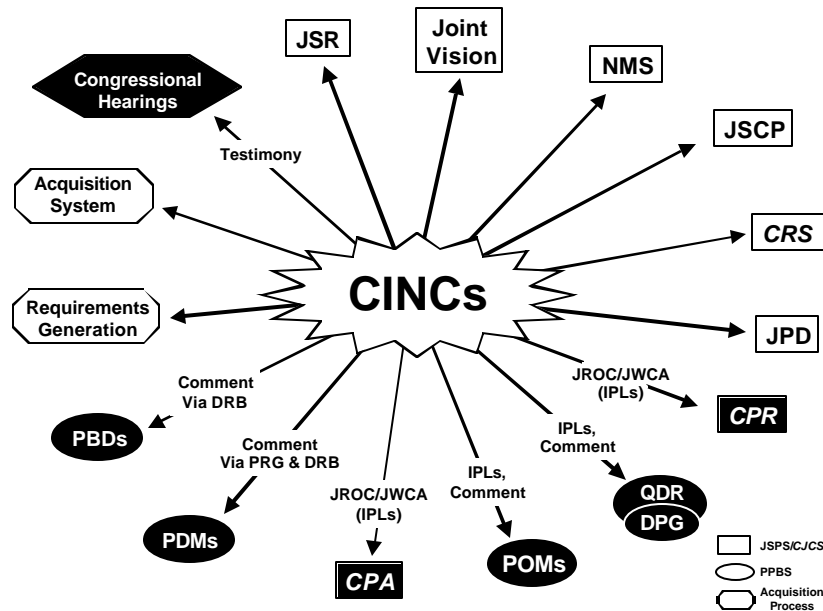
Figure 3-11. CINCs' Influence on the PPBS

CINCs:	Commanders-In-Chief	**JSCP**:	Joint Strategic Capabilities Plan
CJCS:	Chairman of the Joint Chiefs of Staff	**JSPS**:	Joint Strategic Planning System
CPA:	Chairman's Program Assessment	**JSR**:	Joint Strategy Review
CPR:	Chairman's Program Recommendation	**JWCA**:	Joint Warfighting Capabilities Assessment
CRS:	Chairman's Readiness System	**NMS**:	National Military Strategy
DPG:	Defense Planning Guidance	**PBDs**:	Program Budget Decisions
DRB:	Defense Resources Board	**PDMs**:	Program Decision Memoranda
IPLs:	Integrated Priority Lists	**POMs**:	Program Objective Memoranda
JPD:	Joint Planning Document	**PPBS**:	Planning, Programming, & Budgeting System
JROC:	Joint Requirements Oversight Council	**PRG**:	Program Review Group
		QDR:	Quadrennial Defense Review

People

The PPBS belongs to the SecDef and functions as DoD's primary resource management system. Though the SecDef is responsible for the effective and efficient execution of this system, there are many other participants both internal and external to DoD. We begin with the OSD participants, and then proceed to organizations and agencies outside the OSD.[7]

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[7] Appendix 1, pp. A-1-3 through A-1-5 of this text provides information on the organizational structure of the Office of the Secretary of Defense.

Deputy Secretary of Defense (DepSecDef)

The DepSecDef exercises authority delegated by the SecDef and conducts the day-to-day operation of DoD. The DepSecDef directs the PPBS as the chairman of the Defense Resources Board (DRB).

Policy Secretariat (Under Secretary of Defense (USD) for Policy)

The USD (Policy) is the principal OSD staff assistant for formulating national security and defense policy, and for integrating and overseeing DoD policy and plans to achieve national security objectives. USD (Policy) is the primary adviser to the DepSecDef for the planning phase of the PPBS and is a member of the DRB. With the Director of Program Analysis and Evaluation (PA&E), USD (Policy) drafts the Defense Planning Guidance (DPG). This office works in coordination with the Joint Staff Strategic Plans and Policy Directorate (J-5). USD (Policy) is also responsible for managing the Quadrennial Defense Review along with the Director of PA&E and the Joint Staff Force Structure, Resources and Assessment Directorate (J-8).

Director of Net Assessment

The Director of Net Assessment is responsible for the development and coordination of net assessments of current and future U.S. military capabilities and provides objective analyses and advice regarding policy, doctrine, strategy, goals, and objectives. The Net Assessment Directorate receives tasking from the USD (Policy) and works in coordination with the Joint Staff (J-8).

Finance Secretariat (USD (Comptroller))

The USD (Comptroller) is the principal OSD staff assistant for budgetary and fiscal matters, and serves as DoD's Chief Financial Officer. In this capacity, USD (Comptroller) manages the PPBS under the direction of the DepSecDef. USD (Comptroller) delegates responsibility to the Director, PA&E for management of the planning and programming phases of the PPBS. The Principal Deputy to the USD (Comptroller) has the lead during the budgeting phase of the PPBS. USD (Comptroller) is a member of the DRB.

Director, Program Analysis and Evaluation (PA&E)

The Director of PA&E comes under the authority of the USD (Comptroller) but also provides independent programmatic analysis, advice, and recommendations directly to the SecDef. PA&E prepares the programming guidance portion of the DPG and formulates DoD's Fiscal Guidance. It also has the lead during the programming phase of PPBS and directs the annual program review. During the programming phase, PA&E develops the Program Decision Memoranda and manages the Future-Years Defense Program. The Director of PA&E serves as Chairman of the Program Review Group (PRG) and Executive Secretary of the DRB.

Defense Resources Board (DRB)

Defense Resources Board	
Chairman	Deputy Secretary of Defense
Vice Chairman	Chairman of the Joint Chiefs of Staff
Executive Secretary	Director, Program Analysis & Evaluation
Members	• Service Secretaries • Vice Chairman of the Joint Chiefs of Staff • Under Secretary of Defense for Acquisition, Technology, & Logistics • Under Secretary of Defense for Policy • Under Secretary of Defense, Comptroller • Under Secretary of Defense for Personnel & Readiness

The DRB advises the SecDef when making major planning and programming decisions. This board participates in the formulation of the SecDef's DPG and review of the service Program Objective Memoranda (POMs). The composition of the DRB is shown in the diagram. Other individuals can participate as necessary, such as other OSD representatives, Service Chiefs, the Joint Staff J-8, and representatives from DoD agencies, the Office of Management and Budget, and the National Security Council.

Program Review Group (PRG)

Program Review Group	
Chairman	Director, Program Analysis & Evaluation
Members	• Principal Deputy Under Secretary of Defense (Acquisition, Technology, & Logistics) • Principal Deputy Under Secretary of Defense (Comptroller) • Assistant Secretary of Defense (Strategy and Threat Reduction) • Principal Deputy Assistant Secretary of Defense (Command, Control, Communications, & Intelligence) • Assistant Secretary of Defense (Force Management Policy) • Assistant Secretary of Defense (Health Affairs) • Assistant Secretary of Defense (Reserve Affairs) • Army Assistant Vice Chief of Staff • Navy Deputy Chief of Naval Operations (Resources, Warfare Requirements, & Assessments) • Marine Corps Deputy Chief of Staff (Programs & Resources) • Air Force Deputy Chief of Staff (Plans & Programs) • Joint Staff Director for Force Structure, Resources & Assessment (J-8)

The PRG has a role in the programming phase of the PPBS as a subordinate agency of the DRB. The group identifies major programmatic issues, analyzes these issues, and develops decision options for the DRB. The Director of PA&E is chairman of the group. Members of the group include senior resource managers and programmers from OSD, the services, and the Joint Staff.

Office of Management and Budget (OMB)

OMB works for the President and develops the fiscal guidance for OSD and the services, which helps to develop realistic programs within fiscal constraints. OMB participates in the budget phase of the PPBS and works in conjunction with USD (Comptroller) to review service and defense agency budgets before the DepSecDef approves them. OSD allocates a portion of its target budget to each service, SOCOM, and defense agencies, which they use as a topline while formulating their programs.

Chairman of the Joint Chiefs of Staff (CJCS)

As the principal military advisor to the SecDef and the vice-chairman of the DRB, the CJCS plays a key role in the PPBS. With the support of the JCS, Joint Staff, and the JROC, the Chairman provides input to the PPBS through the JSPS.[8]

Military Departments (Services)

The services influence the planning phase of the PPBS through their participation in the JSPS and their contribution to the drafting of the DPG. They have a major role during the programming phase of PPBS through the development of their POMs. During the budgeting phase, the services prepare budget estimates that correspond to the DepSecDef approved programs. The Service Secretaries are members of the DRB.

DoD Agencies

In addition to participating in the JSPS, DoD agencies each develop and submit a POM and the budget estimate for their approved programs. They participate in the DRB review process as appropriate.

The following is a list of the 15 current Defense Agencies:[9]

Ballistic Missile Defense Organization (BMDO)

Defense Advanced Research Projects Agency (DARPA)

Defense Contract Audit Agency (DCAA)

Defense Commissary Agency (DCA)

Defense Finance and Accounting Service (DFAS)

Defense Information Systems Agency (DISA)

Defense Intelligence Agency, (DIA)

Defense Legal Services Agency (DLSA)

Defense Logistics Agency (DLA)

Defense Security Cooperation Agency (DSCA)

Defense Security Service (DSS)

Defense Threat Reduction Agency (DTRA)

National Imagery And Mapping Agency (NIMA)

National Security Agency (NSA)

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[8] CJCS, *Chairman of the Joint Chiefs of Staff, Commander in Chiefs of the Combatant Commands, and Joint Staff Participation in the Planning, Programming, and Budgeting System*, CJCSI 8501.01 (Washington, DC: 1 April 1999, http:www.dtic.mil/doctrine/jel/cjcsd/cjcsi/8501_01.pdf). This CJCS Instruction describes participation by the CJCS, CINCs, and Joint Staff in the PPBS.

[9]Appendix 1 contains organizational charts that show how they fit into the Office of the Secretary of Defense. For a brief description of each Defense Agency see Appendix 4.

Combatant Commanders (CINCs)

Like the services, the CINCs influence the PPBS through their input into the JSPS. Unlike the services, the CINCs do not submit their own POMs (with the exception of U.S. Special Operations Command). The CINCs submit their requirements to the services through their service components. They submit their priority requirements (IPLs) to the SecDef and the CJCS with copies to the services. The services consider these priorities as they develop their POMs. The CINCs have the opportunity to review the service POMs to ensure they address their requirements. The CINCs can submit issues to the DRB and participate in DRB deliberations.

Products

Figure 3-12 depicts the same documents you saw in Chapter 2; however, those that are products of the PPBS are now darkened for emphasis. The CPR and CPA are outputs of JSPS; because of their significance to the PPBS, they are also emphasized. Note the documents such as the National Security Strategy (NSS) and the Quadrennial Defense Review (QDR) Report that provide input to the JSPS also affect the formulation of the SecDef's DPG. Quickly review the JSPS documents in the diagram that affect PPBS, and then proceed through the rest of this section for an explanation of the PPBS products.
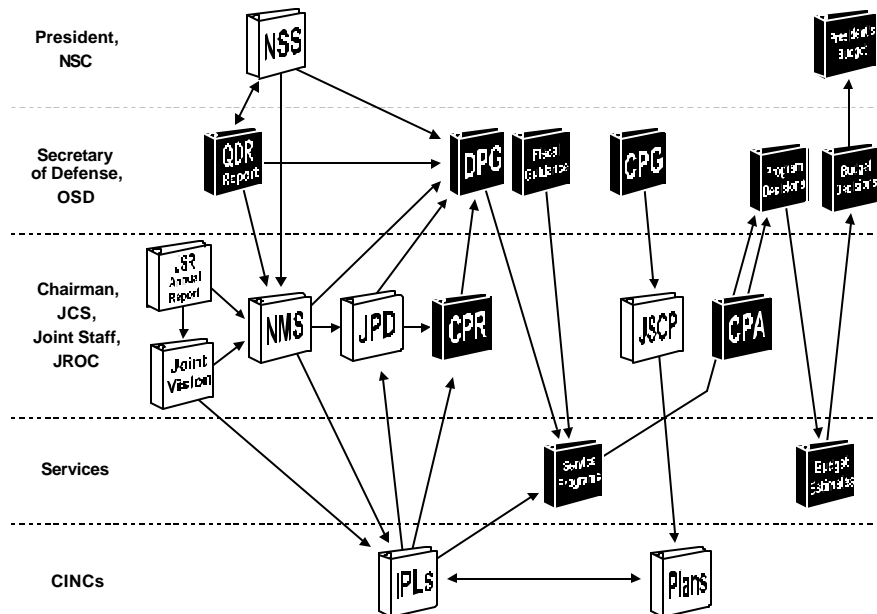
Figure 3-12. PPBS Documents

CINCs:	Commanders-In-Chief	**JROC:**	Joint Requirements Oversight Council
CPA:	Chairman's Program Assessment	**JSCP:**	Joint Strategic Capabilities Plan
CPG:	Contingency Planning Guidance	**JSR:**	Joint Strategy Review
CPR:	Chairman's Program Recommendation	**NMS:**	National Military Strategy
DPG:	Defense Planning Guidance	**NSC:**	National Security Council
IPLs:	Integrated Priority Lists	**NSS:**	National Security Strategy
JCS:	Joint Chiefs of Staff	**OSD:**	Office of the Secretary of Defense
JPD:	Joint Planning Document	**QDR:**	Quadrennial Defense Review

Quadrennial Defense Review (QDR) Report


```
WHO:      OSD/Joint Staff: SecDef Signature
WHAT:     Defense Strategy, Force Structure,
          Modernization Assessments
WHERE:    Overarching Guidance for DoD resource
          allocation process
WHEN:     With a New Administration (every four years)
WHY:      Title 10, Section 118
CLASS:    UNCLAS
```
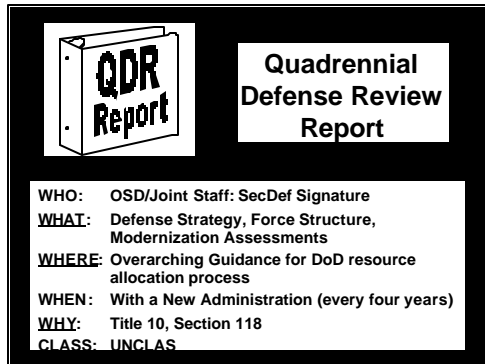
Congress requires DoD to conduct a QDR in order to provide a comprehensive roadmap to the force of the future. It is a collaborative effort between OSD and the Joint Staff, with extensive participation from the services and the CINCs. The QDR report contains the results of the review, including an assessment of the global security environment, the defense strategy, and alternative defense postures. The QDR process and the assessments and recommendations it produces could have significant effect on all aspects of the resource allocation process. However, it is not clear, since only two QDR reports have been published, whether these visionary documents will have considerable impact in the future. The decisions contained in the QDR report become the basis for subsequent, annually produced Defense Planning Guidance documents. The QDR report is presented to Congress and will affect policy and funding for future forces. The NSC studies this report and uses it to help shape the NSS.

Integrated Priority Lists (IPLs)


```
WHO:      CINCs
WHAT:     Priority Requirements
WHEN:     Annual (November)
WHERE:    JOPES → JSPS/JWCA/PPBS
WHY:      Title 10, Section 153(a)(4)
CLASS:    SECRET
NOTE:     To SecDef & CJCS (Copy to Services)
```
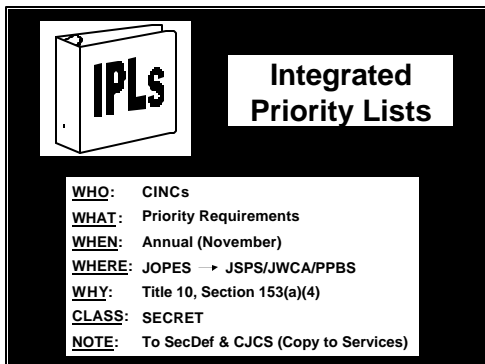
The CINCs use IPLs to identify their highest priority requirements and define shortfalls in key programs that, in their judgment, adversely affect their capability to accomplish assigned missions. IPLs provide DoD's senior leadership visibility on those areas that require priority attention during program development and review. In the first section of the IPL document, CINCs identify key operational capabilities they need during the six-year period covered by the Future-Years Defense Program. In the second section, CINCs identify critical deficiencies in their capabilities.

CINCs submit their IPLs annually to the SecDef and CJCS with copies to the services. The CJCS considers the CINCs' priorities when developing programmatic advice to the SecDef. IPLs directly affect the development of the Defense Planning Guidance and indirectly influence the JPD and CPR. The SecDef requires the services and DoD agencies to address the CINCs' priorities as they develop their programs. The CJCS evaluates how well the services' programs meet the CINCs' critical warfighting requirements and communicates this assessment to the SecDef through the Chairman's Program Assessment (CPA). Based on this advice and evaluations of the OSD staff, the SecDef may require the services and DoD agencies to adjust their programs.

Congress is also interested in how well programs satisfy the CINCs' IPLs. It requires CJCS to submit the "Annual Report on Combatant Command Requirements" to the Armed Services Committees and Appropriations Committees of the Senate and House. This report

contains a consolidation of the CINCs' IPLs and the Chairman's assessment of the CINCs' requirements.

Chairman's Program Recommendation (CPR)

Chairman's Program Recommendation

WHO:	CJCS (*Personal to SecDef*)
WHAT:	Program Recommendations
WHEN:	Annual (February/March)
WHERE:	JROC/JWCA- Associated with JSPS
WHY:	Title 10, Section 153 (a)(4)
CLASS:	SECRET (Close Hold)
NOTE:	Just Prior to DPG Being Published
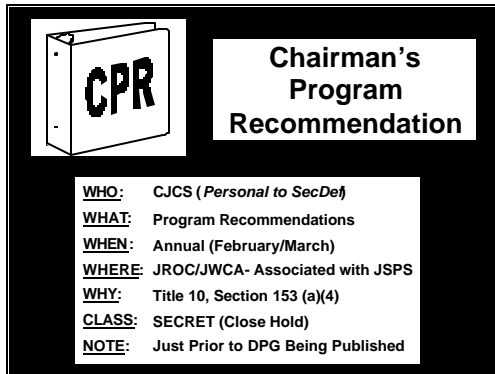
The CPR communicates the Chairman's personal program recommendations directly to the SecDef. It articulates issues the CJCS deems critical for the SecDef to consider when identifying priorities and programming goals in the DPG. The CPR focuses on specific recommendations that will enhance joint readiness, promote joint doctrine and training, or better satisfy joint warfighting requirements. Because the Service Vice Chiefs participate in the formulation of the CPR as members of the JROC, the services are able to consider the Chairman's priorities and concerns as they prepare their POMs.

Defense Planning Guidance (DPG)

Defense Planning Guidance

WHO:	OSD: PA&E - *SecDef Signature*
WHAT:	Planning & Programming Guidance to Services & Agencies for POM Development
WHEN:	Annual (March)
WHERE:	PPBS (Planning Phase)
WHY:	Title 10, Section 113(g)
CLASS:	SECRET
NOTE:	Illustrative Planning Scenarios Appended
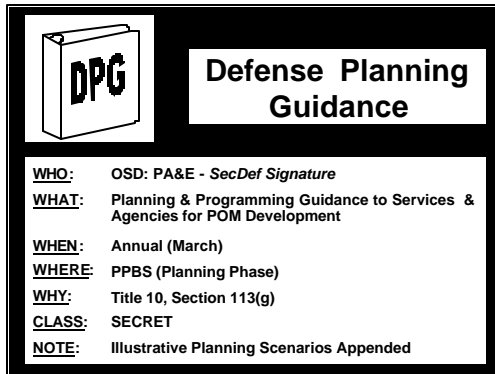
The purpose of the DPG is to guide resource allocation. It serves as an authoritative statement directing defense policy, strategy, and force and resource planning. It ensures priority military missions outlined in the NSS, QDR, and NMS are programmed at levels that guarantee they can be executed over the six years covered by the Future-Years Defense Program (FYDP). The DPG links planning performance goals to specific program execution objectives and sets priorities for implementing QDR decisions. These priorities guide the services and DoD agencies during their program development, and the JCS and OSD review of these programs.

The DPG includes an appendix that contains two sets of Illustrative Planning Scenarios that are used by the services to assess their force structure and program requirements. One set of scenarios covers the period of the FYDP and is used to assess near-term requirements. A second set of scenarios covers a period of time beyond the FYDP and is used to assess the requirements for the research and development of capabilities needed for the future. It is important to note that the DPG provides macro-level direction, since the SecDef places the primary responsibility and authority for program development and execution with the services and other DoD components.

Fiscal Guidance

Fiscal Guidance

WHO:	OSD: PA&E - *DepSecDef Signature*
WHAT:	Fiscal (Topline) Guidance to Services & Agencies for POM Development
WHEN:	Annual (March)
WHERE:	PPBS (Planning Phase)
WHY:	Title 10, Section 113(g)
NOTE:	Separate Guidance Prepared for Each Service & Agency
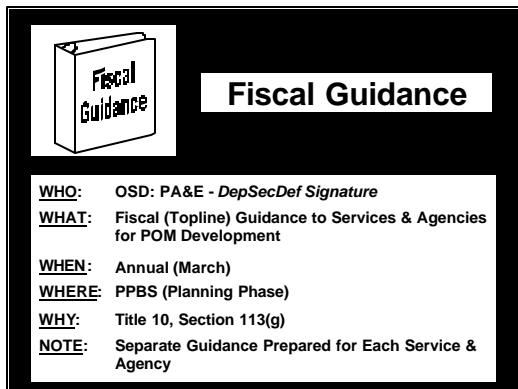
The Fiscal Guidance is forwarded to each of the services and defense agencies in conjunction with the DPG. This guidance provides the individual organization's topline funding (dollars available) extended over the FYDP years and notes variations from the prior year's baseline that results from external or internal policy or economic adjustments. PA&E prepares the Fiscal Guidance based on budget guidance provided by the Office of Management and Budget. Unlike many other PPBS products, the Fiscal Guidance is extremely closely held and is not coordinated. A small group of people write it, present it to the SecDef, and he issues it without any serious opportunity for reclama.

Program Objective Memoranda (POMs)

Program Objective Memoranda

WHO:	Services / Agencies / USSOCOM - *Service Secretary, Agency Director Signature*
WHAT:	Objectives for Forces / Weapons / Logistics
WHEN:	May
WHERE:	PPBS (Programming Phase)
WHY:	Title 10, Sections 3013, 5013, and 8013
NOTE:	"Full" POM in Even Years. Adjusted POM During Odd Years.
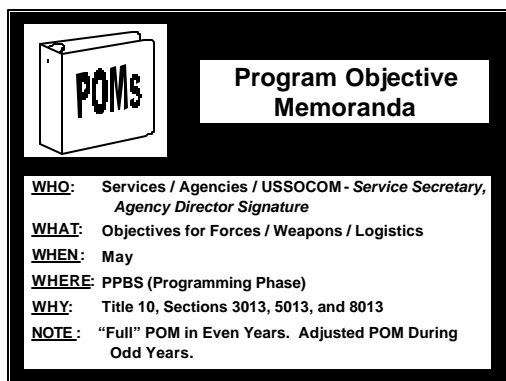
Each service and DoD agency develops a POM based on the strategic concepts and guidance stated in the DPG and available funds projected in the Fiscal Guidance. Due to its unique requirements, USSOCOM is the only combatant command that develops its own POM.
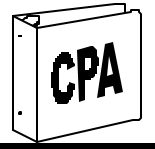
The POMs list service objectives for their forces, weapon systems, and logistic support within the fiscal limits set by the SecDef. In addition to expressing the services' total requirements for the years covered in the DPG, the POMs include an assessment of risk associated with current and proposed force and support programs. The SecDef requires the services to show how their POMs respond to the needs of the CINCs. The services will either fund the CINCs' requirements or present alternative proposals. The POMs cover a six-year period that corresponds to the period covered in the FYDP.

Because DoD is on a two-year or biennial budgeting cycle, POMs are generated during every even calendar year. However, Congress will only authorize and appropriate funds on an annual basis, which requires a POM update during the odd calendar years.
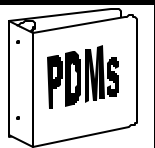
Chairman's Program Assessment (CPA)

Chairman's Program Assessment	
WHO:	CJCS (*Personal to SecDef*)
WHAT:	Program Assessment
WHEN:	Annual (September)
WHERE:	JROC/JWCA- Associated with JSPS & PPBS
WHY:	Title 10, Section 153 (a)(4)
CLASS:	SECRET (Close Hold)
NOTE:	Between POMs & PDM II

The CPA influences SecDef's programming and budgetary decisions. It fulfills the Chairman's Title 10 responsibility to advise the SecDef on how well the POMs conform to priorities established in strategic plans and to the priorities established by the CINCs. The CPA also contains alternative program recommendations that suggest greater conformance to established priorities.

Program Decision Memoranda (PDMs)

Program Decision Memoranda	
WHO:	OSD: Director, PA&E - *DepSecDef Signature*
WHAT:	Programming Decisions (Result of Program Review of POMs)
WHEN:	Annual (August / September)
WHERE:	PPBS (Programming Phase)
NOTE:	PDM I & PDM II

Once the programming issues have been resolved by the DRB, the final decisions on the POM force are recorded in the PDMs. These documents represent the SecDef's approval of the POMs as modified by the deliberations of the DRB and are transmitted to each POM producer. PDMs mark the end of the programming phase of the PPBS.

Budget Estimate Submissions (BESs)

Budget Estimate Submissions	
WHO:	Services, DoD Agencies, & USSOCOM
WHAT:	Accounting / Translation: from **Program** "Language" to **Appropriation** "Language"
WHEN:	September
WHERE:	PPBS (Budgeting Phase)

Each of the services and DoD agencies prepares and submits its BES based on the approved POM, as well as current economic assumptions contained either in the PDMs or in separate detailed budget guidance. We are now into the budgeting phase of the PPBS; the BES is largely an accounting effort to price programs within budget baselines and to translate these baselines into the appropriation categories to which Congress will appropriate funds. The BES contains budget data for the prior year, current year, budget year, and the year beyond the budget year. The Principal Deputy to the USD (Comptroller) reviews the BESs.

Program Budget Decisions (PBDs)

Program Budget Decisions

WHO: OSD: USD (Comptroller) *DepSecDef Signature*
WHAT: Budget Decisions
(Result of Budget Review of BESs)
WHEN: Annual (November / December)
WHERE: PPBS (Budgeting Phase)
NOTE: Multiple Documents
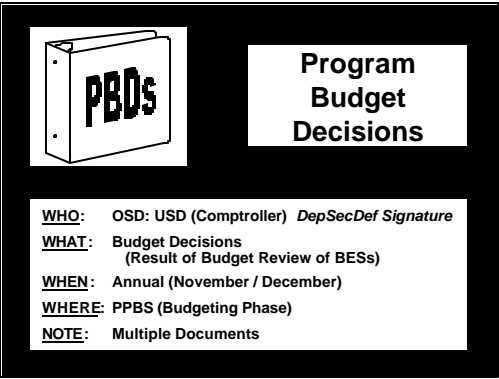
The entire budget is evaluated and adjusted during the budget review to ensure the requests are properly priced, program schedules are appropriate, and estimates are consistent with the objectives of the SecDef. The USD (Comptroller) holds budget submission hearings to obtain additional information needed to draft the PBDs, reviews all issues pertaining to the PBDs, and submits a summary document to the DepSecDef for decision and signature. PBDs document approval of the estimates for inclusion in the President's Budget.

Future-Years Defense Program (FYDP)

Budget

Future-Years Defense Program

WHO: OSD: USD (Comptroller) / Director, PA&E
SecDef Signature
WHAT: DoD Budget Submission to the President
WHEN: Annual (December)
WHERE: PPBS (Budgeting Phase)
WHY: Title 10, Section 221(a)
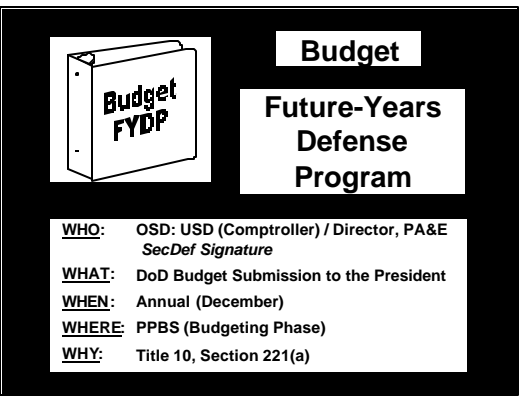
The FYDP is the official database of all DoD programs developed within the PPBS and approved by the SecDef.[10] Figure 3-13 depicts the structure of the FYDP.

The data are organized to reflect programs by organization, by output-oriented or mission area structure, and by input-oriented or appropriation structure. The top face of the cube shows the organizations within DoD that develop and execute programs. On the front face of the cube, programs are organized into mission-oriented categories known as Major Force Programs (MFPs). Appropriation categories are shown on the side face of the cube.

The FYDP is structured this way to satisfy the needs of both DoD and Congress. The DoD needs an output-oriented format for internal program management. Congress uses an input-oriented format to authorize and appropriate payments from the treasury. Of necessity, the FYDP must be able to identify resources using either language.

The FYDP displays the total DoD resources programmed by fiscal year; it covers the prior year, current year, the biennial budget years, and the following four years. The FYDP covers an additional three years of force-structure data. It is updated three times during the PPBS cycle:

- When the services submit their POMs (referred to as the "POM FYDP" or "May FYDP").

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[10] Detailed information on the FYDP can be found in *FYDP Program Structure Handbook*, DoD 7045.7-H (Washington, DC: http://www.ra.pae.osd.mil/fsm, click on FYDP Program Structure Handbook).

- After the services revise their programs in response to the PDMs (called the "September FYDP" or "Budget Estimate FYDP").

- After the PBD revisions and coincident to the submission of the President's Budget (the "January FYDP").

The FYDP is considered an internal DoD working document and is generally closely held within DoD. A special publication of the FYDP is provided to Congress in conjunction with the submission of the President's Budget.
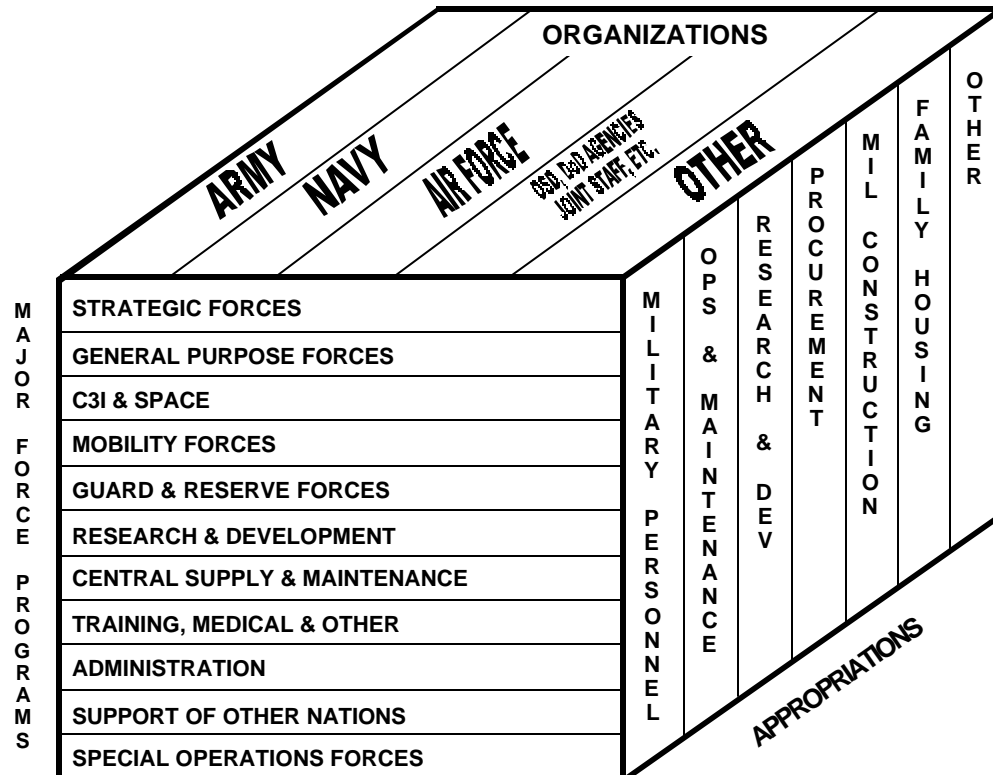
Figure 3-13. Future-Years Defense Program Structure

Plug-in

It is time to get back to the bigger picture and review how the PPBS plugs into the overall defense resource allocation process. It is worth spending a little time revisiting a familiar diagram (Figure 3-14) as we conduct a quick overview.
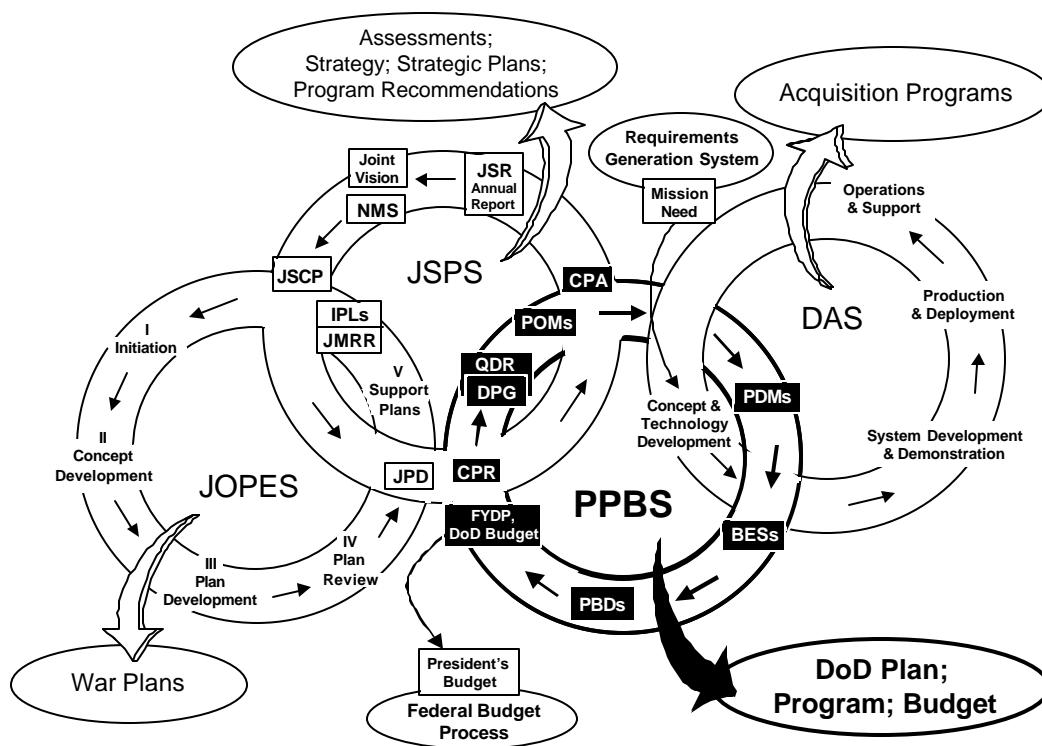
Figure 3-14. PPBS: Defense Planning Interrelationships

BESs:	Budget Submission Estimates	**JPD**:	Joint Planning Document
CPA:	Chairman's Program Assessment	**JSCP**:	Joint Strategic Capabilities Plan
CPR:	Chairman's Program Recommendation	**JSPS**:	Joint Strategic Planning System
DAS:	Defense Acquisition System	**JSR**:	Joint Strategy Review
DoD:	Department of Defense	**NMS**:	National Military Strategy
DPG:	Defense Planning Guidance	**PBDs**:	Program Budget Decisions
IPLs:	Integrated Priority Lists	**PDMs**:	Program Decision Memoranda
JMRR:	Joint Monthly Readiness Report	**POMs**:	Program Objective Memoranda
JOPES:	Joint Operation Planning & Execution System		
PPBS:	Planning, Programming, & Budgeting System	**QDR**:	Quadrennial Defense Review

In the process of covering the PPBS, it was necessary to continually refer to the JSPS. It should be obvious at this point that these two systems are interactive. Taken together, the JSPS and the PPBS provide the right military strategy to support our national security objectives, develop the strategic plans that support the military strategy, and determine the force requirements to execute the plans. The end result of the PPBS is a budget proposal that reflects those force requirements.

We also made reference to the acquisition process, in which the requirements for defense systems are defined in the Requirements Generation System and resulting acquisition programs are developed in the Defense Acquisition System. To get the right systems, the acquisition process must be closely tied to the JSPS and the PPBS. (Chapter 4 covers the acquisition process.)

We addressed the Joint Operation Planning and Execution System (JOPES) in Chapter 2. The JOPES converts the Joint Strategic Capabilities Plan, a product of the JSPS, into operation plans. In the process of developing and executing operation plans, the CINCs identify and prioritize their requirements (IPLs), which feed back into the JSPS, PPBS, and the acquisition process.

The PPBS formulates the DoD budget proposal. This proposal enters the federal budget process where Congress and the President make their decisions on the allocation of resources. These decisions feed back into the JSPS, PPBS, and acquisition process and drive future resource decisions within DoD. (Chapter 5 covers the federal budget process.)

Figure 3-15 provides another way of looking at the interaction between PPBS and the other components of the resource allocation process. The PPBS documents and those closely associated with the PPBS are darkened for emphasis. Timing is of concern because each part of the process depends on another for input, then itself becomes an input to a subsequent part of the process.
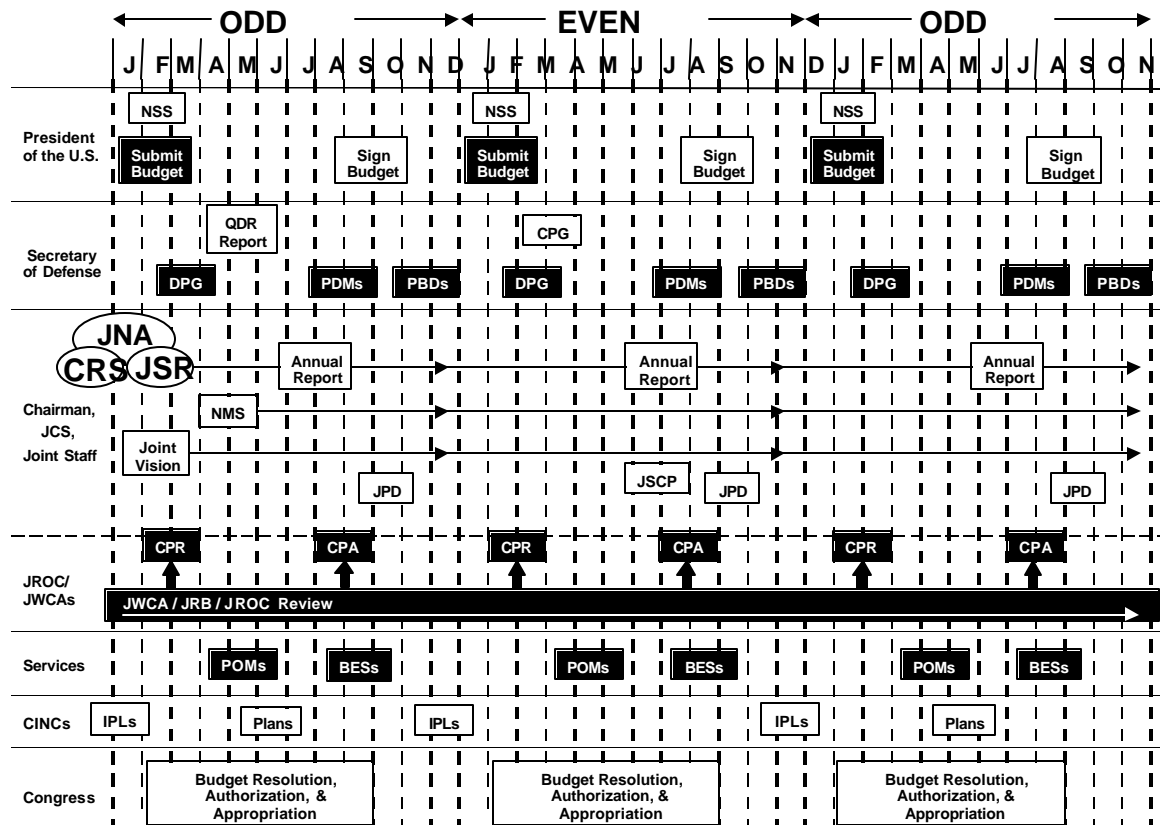
Figure 3-15. PPBS: Calendar Relationships

A good way to review the PPBS is to spend some time on this calendar and work through the relationships among the various documents it depicts. Refer back to Figure 3-12 on page 3-21 if you need help.

Bibliography

National Defense University, *Joint Forces Staff College Pub 1: The Joint Staff Officer's Guide 2000*, Norfolk, VA, 2000, http://www.jfsc.ndu.edu (click on the Joint Staff Officer's Guide link to gain access to JFSC Pub 1).

> This document (also known as the "Purple Book") is the basic textbook used by the Joint Forces Staff College. It presents the "big picture" of the complex system of joint planning and execution used by the U.S. military. It describes joint and combined organizations and their command relationships; outlines the tools and responsibilities of action officers on a joint staff; and provides reference to additional materials useful to a joint staff officer.

The White House. *A National Security Strategy for a New Century*. Washington, DC: December 1999. http://www.info-sec.com/internet/00/internet_013100b_j.shtml.

> This document describes U.S. national interests and objectives; the threats to those interests and opportunities presented by a dynamic and uncertain security environment; and the security strategy to protect U.S. interests and achieve U.S. national objectives into the 21st century.

Secretary of Defense. *Report of the Quadrennial Defense Review (QDR)*. Washington, DC: September 2001. http://www.defenselink.mil/pubs/qdr2001.pdf .

> The National Defense Authorization Act for Fiscal Year 1997 defined the requirement for the QDR. The Department of Defense designed the QDR to be a fundamental and comprehensive examination of America's defense needs: potential threats, strategy, force structure, readiness posture, military modernization programs, defense infrastructure, and other elements of the defense program. The QDR Report is intended to provide a blueprint for a strategy-based, balanced, and affordable defense program.

National Defense Panel. *Transforming Defense: National Security in the 21st Century*. Washington, DC: December 1997. http://www.dtic.mil/ndp/FullDoc2.pdf, this web address is case sensitive.

> This report was required by the National Defense Authorization Act for Fiscal Year 1997. In addition to conducting a comprehensive assessment of the Quadrennial Defense Review, the National Defense Panel was required to submit an independent assessment of alternative force structures for U.S. armed forces. This report provides recommendations to the Secretary of Defense and Congress regarding the optimal force structure to meet anticipated threats to U.S. national security through the year 2010 and beyond.

Chairman of the Joint Chiefs of Staff (CJCS). *National Military Strategy – Shape, Respond, Prepare Now: A Military Strategy for a New Era*. Washington, DC: 1997. http://www.dtic.mil/jcs/core/nms.html.

> This document conveys the advice of the Chairman of the Joint Chiefs of Staff and that of the Joint Chiefs of Staff on the strategic direction of U.S. armed forces in implementing the

guidance in the President's National Security Strategy and the Quadrennial Defense Review Report.

CJCS. *Joint Vision 2020*. Washington, DC: May 2000. http://www.dtic.mil/jv2020/jvpub2. htm.

> This document provides the conceptual template for how the U.S. armed forces will apply its resources and leverage technological opportunities to achieve new levels of effectiveness in joint warfighting.

CJCS. *Joint Warfighting Capabilities Assessment Process*. CJCSI 3137.01A. Washington, DC: 22 Jan 1999. http://www.dtic.mil/doctrine/jel/cjcsd/cjcsi/3137_01a.pdf.

> This instruction provides joint policy and guidance on the role, organization, process interrelationships, management, and operation of the Joint Warfighting Capabilities Assessment Process.

CJCS. *Charter of the Joint Requirements Oversight Council*. CJCSI 5123.01A. Washington, DC: 8 March 2001. http://www.dtic.mil/doctrine/jel/cjcsd/cjcsi/5123_01a.pdf.

> This instruction establishes the Joint Requirements Oversight Council (JROC) as an advisory council to the Chairman of the Joint Chiefs of Staff. It delineates JROC composition and responsibilities and further defines the JROC role in the requirements and acquisition process.

CJCS. *Chairman of the Joint Chiefs of Staff, Commander in Chiefs of the Combatant Commands, and Joint Staff Participation in the Planning, Programming, and Budgeting System*. CJCSI 8501.01. Washington, DC: 1 April 1999. http://www. dtic.mil/doctrine/jel/cjcsd/cjcsi/8501_01.pdf.

> This instruction identifies the functions and responsibilities for the CJCS, CINCs, and Joint Staff involvement in each phase of the Planning, Program, and Budgeting System. It also describes the Congressional budget process.

CJCS. *Joint Pub 5-0, Doctrine for Planning Joint Operations*. Washington, DC: 13 April 1995. http://www.dtic.mil/doctrine/jel/new_pubs/jp5_0.pdf.

> This publication is the keystone document of the joint planning series. It sets forth fundamental principles and doctrine that guide planning by U.S. armed forces in joint or multinational operations.

U.S. Code. http://www4.law.cornell.edu/uscode.

> This website lists the laws in force, based on the most recent version made available by the U.S. House of Representatives, that pertain to the U.S. Armed Forces (Title 10) and National Defense (Title 50).

Davis, Thomas M. *Managing Defense After the Cold War*. Washington, DC: Center for Strategic and Budgetary Assessments, June 1997.

> This document critiques the current planning and budgeting process. Mr. Davis argues that, properly modified and better implemented, the PPBS could be made more effective than it is today.

Department of Defense. *The Planning, Programming and Budgeting System (PPBS)*. DoDD 7045.14. Washington, DC: 22 May 1984. http://web7.whs.osd.mil/pdf/ d704514p.pdf.

This DoD Directive is a four-page document that establishes the basic policy, procedures, and responsibilities for the PPBS.

Department of Defense. *Implementation of the Planning, Programming and Budgeting System (PPBS)*. DoDI 7045.7. Washington, DC: 23 May 1984. http://web7.whs. osd.mil/pdf/i70457p.pdf.

This DoD Instruction establishes more detailed procedural guidance for the formulation, submission, analysis, review and approval of DoD plans, programs and budgets. Although this is an older document and contains some dated information, it serves as a reference source for the PPBS.

How the Army Runs: A Senior Leader Reference Handbook (2001-2002). Carlisle Barracks, PA: U.S. Army War College, 15 May 2001. http://carlisle-www.army.mil/usawc/dclm/, click on "How the Army Runs" link.

This handbook (also known as the "Green Book") is used to support the curriculum at the Army War College. It explains the relationship of numerous DoD, Joint, and U.S. Army planning systems and processes that determine the allocation of defense resources.

Chapter 4
The Acquisition Process

Like the processes we covered in previous chapters, the acquisition process is complex, highly interactive and yet has a logical structure. The process can begin with someone identifying a mission need, which is then developed into a capability (weapon system or equipment) that fulfills that need. It can also start independent of a known requirement, with a technology that, with further development, has potential military application. In both cases, there are many decisions that validate, prioritize, fund, and then manage the design, production, operation, and disposal of defense systems. The formal acquisition process is made up of three principal components: the Requirements Generation System (RGS),[1] the Planning, Programming, and Budgeting System (PPBS), and the Defense Acquisition System (DAS).[2]

This chapter will focus on the processes of acquisition, namely the RGS and DAS, to give you a working understanding of how requirements are identified and validated and, after they are funded, how they become acquisition programs that are managed to produce the systems used by our military forces.

Purpose

The Defense Acquisition System exists to secure and sustain the nation's investments in technologies, programs, and product support necessary to achieve the National Security Strategy and support the United States Armed Forces. The primary objective of defense acquisition is to acquire quality products that satisfy user needs with measurable improvements to mission accomplishment and operational support, in a timely manner, and at a fair and reasonable price.[3]

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[1] Chairman of the Joint Chiefs of Staff, *Requirements Generation System*, CJCSI 3170.01B (Washington, DC: 15 April 2001, http://www.dtic.mil/doctrine/jel/cjcsd/cjcsi/3170_01b.pdf). This CJCS Instruction is the basic reference for requirements generation within the Department of Defense. Many of the phrases and descriptions used in this chapter are from this source document.

[2] Department of Defense, *The Defense Acquisition System*, DoDD 5000.1 (Washington, DC: 23 October 2000). This DoD Directive states the policies and principles for all DoD acquisition programs. Department of Defense, *Operation of the Defense Acquisition System*, DoDI 5000.2 (Washington, DC: 23 October 2000). This DoD Instruction implements DoDD 5000.1 by establishing the management framework for translating mission needs and technological opportunities into acquisition programs. Department of Defense, *Mandatory Procedures for Major Defense Acquisition Programs and Major Automated Information System Programs*, DoD Regulation 5000.2-R (Washington, DC: 10 June 2001). This DoD Regulation implements DoDI 5000.2 by establishing mandatory procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Programs. It also serves as a general model for other than MDAP and MAIS acquisition programs. Many of the phrases and descriptions used in this chapter are from these source documents. These documents can be found in the Acquisition Deskbook: http://www.web2.deskbook.osd.mil/ and look under library shortcuts.

[3] DoD Directive 5000.1, p. 15.

The RGS, PPBS, and DAS operate continuously and concurrently to assist the Secretary of Defense (SecDef) and other senior officials making critical resource decisions. The information derived from these systems permits senior Department of Defense (DoD) leaders to allocate resources to meet the highest national priorities, execute the current budget, and shape the Future-Years Defense Program (FYDP).

Before we discuss the process in its current form, let us take a look at the past to get an idea of how the current process evolved.

Past

Challenges and difficulties with the procurement of defense systems have been around as long as we have had the need to equip our military forces.

> The first acquisition of a major weapon system for the U.S. Government started with the authorization for the procurement of six large frigates by the U.S. War Department in 1794. Seventeen months later six keels were laid but only three of the frigates were built due to schedule slippage and cost overruns.[4]

During the 1950s, the Service Secretaries exercised most of the control over the acquisition process. Involvement by the SecDef was basically limited to a single go/no-go decision at the beginning of a major program. Thus, the Office of the Secretary of Defense (OSD) controlled the start of new programs, but was not involved significantly with the management aspect of developing and fielding defense systems.

During the 1960s, increasing public perceptions of Pentagon mismanagement, cost overruns, and pressure for more domestic spending served as a catalyst for change. In addition to introducing the PPBS, Defense Secretary McNamara and his "whiz kids" applied the same revolutionary ideas on systems analysis to the acquisition process. They believed that through economic analysis, decision makers could identify the best new programs to be adopted. Program evaluation focused on approved programs to ensure established goals and objectives were attained in the most cost-effective manner. These concepts remain at the heart of our current acquisition process, although the defense community has conducted numerous studies, published reports, and applied a variety of initiatives, all in an effort to improve this process.

During the Nixon Administration, Secretary of Defense Melvin Laird and his Deputy, David Packard, established the Defense Systems Acquisition Review Council in 1969 to advise the SecDef and to review acquisition programs at major decision points (milestones) in the acquisition cycle. This forum evolved into the Defense Acquisition Board (DAB) and remains the key decision-making body in the acquisition process.

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[4] Patricia P. Insley et al., *Shortening the Acquisition Cycle: Research on Concurrency*, Report, Management Consulting and Research, Inc. (Falls Church, VA: September 30, 1982).

In conjunction with the Laird-Packard Initiatives, the first DoD Directive 5000.1 was published in 1971.[5] This document was seven pages in length, described the duties of three DoD officials, and only referred to a few other policy documents. Since then many adjustments have occurred, which serve to emphasize the evolutionary, dynamic nature of a process that struggles to achieve efficiency and produce the most effective defense systems that our nation can afford. Certain principles or themes, however, have remained consistent throughout this transformation process:

- Centralized policy with decentralized execution.

- Use of prototypes and operational test and evaluation to gain a better understanding of technical challenges and lessen the risk before there is a commitment to production.

- Streamline and reduce the number of management levels.

- Limit reporting requirements.

- Program stability.

The Joint Requirements Oversight Council (JROC), established as the Joint Requirements and Management Board (JRMB) in 1983, was originally formed to review proposals produced through the RGS that would result in major acquisition programs and to determine the "joint" potential of these major programs. The Goldwater-Nichols Act of 1986 expanded the functions of the JROC in the RGS, DAS, and the defense resource allocation process as a whole.

The latest attempt to reform acquisition procedures can be found in the newest 5000 series of DoD acquisition documents, which contain changes to many areas of the existing process. However, since many current procurement programs started under the old process and depending on their level of maturity may continue under it, we will introduce you to the phases and terminology of the previous system, then highlight the reason for process changes. We will provide a brief comparison towards the end of this chapter.

As you read about major acquisition programs in the news, you will still see the old terminology for many systems, as they are too far along to warrant a transition to the new program. Most programs that are still in the development stages, however, and have not started Low Rate Initial Production, will likely transition into the new process.

Process

General Overview

Before we proceed with the details associated with acquisition, let's look at the new acquisition process in very general terms – how you get from recognizing a needed capability (an idea) to a weapon system or item of equipment that fulfills that need. Figure 4-1 depicts the essence of the acquisition process.

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[5] Joe Ferrara, "DoD's 5000 Documents: Evolution and Change in Defense Acquisition Policy," *Acquisition Review Quarterly*, Fall 1996, pp. 109-130. This article provides a good historical analysis of acquisition reform.

Planning, Programming, & Budgeting System

Defense Resources Board

Program/Budget

Requirements Generation System

Defense Acquisition System

Mission Need

Acquisition Program

Document   Validate   Approve

Concept & Technology Development

Milestone A

System Development & Demonstration

Milestone B

Production & Deployment

Milestone C

Joint Requirements Oversight Council

Defense Acquisition Board

Identified Deficiency

Services, Agencies, Combatant Commands

CAPABILITY (Operational System)

Figure 4-1. Idea to Capability

We start at the beginning of the RGS when someone decides that a capability is needed. In the formal process, this need is first documented in very broad terms in a Mission Need Statement (MNS) and then proceeds through a formal validation and approval process. Once approved, the idea enters the DAS and proceeds through a series of gates or decision points that are called milestones. A gatekeeper, the Milestone Decision Authority (MDA), decides if the idea (or, eventually, the acquisition program) should advance. Between the milestones, activities occur in what is known as an acquisition phase, that develop the idea or program, preparing it to get through the next milestone. At Milestone A the MDA decides if the original idea rates further study. During the first phase (Concept and Technology Development), the idea starts getting some definition. The manager of the potential program must consider cost, schedule, performance, interoperability, security, technology protection, operational support, and infrastructure requirements as well as develop acquisition and test and evaluation strategies. The next gate, Milestone B, represents a decision to initiate an acquisition program. Meanwhile, in the PPBS, the lead service or agency is working the program into a Program Objective Memorandum and budget proposal in order to get funding from Congress. With funding, the program can proceed through the remaining phases and milestones during which it will mature into an operational capability.

Up to this point we have referred to acquisition programs in a general sense; before we continue our discussion, we need to further refine this term. A DoD acquisition program is a directed, funded effort designed to provide a new, improved, or continuing capability (a weapons system, automated information system, or service) in response to a validated operational or business need. Defense acquisition programs are assigned into acquisition categories (ACATs) that reflect their level of management, oversight, and review. Generally, there is a higher level of oversight for

more important or expensive programs. The Milestone Decision Authority (MDA) – the gatekeeper – represents the level of supervision.

Acquisition Categories

There are four primary acquisition categories: ACAT I (large dollar value or important for other reasons); ACAT IA (automated information systems of larger dollar value or important for other reasons) – the suffix, "A" refers to <u>A</u>utomated Information Systems (AIS); ACAT II; and ACAT III. Highly sensitive or classified programs do not fall under these primary categories. Figure 4-2 provides a summary of these ACATs. (Note that all dollar thresholds are Fiscal Year 2000 constant dollars.)

Category	Selection Criteria	Designation Authority	Milestone Decision Authority (MDA)	
ACAT I	MDAPs: • Designated by DAE or • RDT&E > $365M* or • Procurement > $2.190B	USD (AT&L) (DAE)	ACAT ID (DAB)	USD (AT&L)
			ACAT IC (Component)	Component Head or CAE
ACAT IA	MAIS: • Designated by ASD (C3I) or • Single Year Cost > $31.5M or • Total Program Cost > $126M or • Total Life -cycle Cost > $378M	ASD (C3I)	ACAT IAM	OSD CIO (ASD (C3I))
			ACAT IAC	Component CIO
ACAT II (Major Systems)	Not ACAT I: • Designated by HoC or • RDT&E > $140M or • Procurement > $660M	Component Head**	CAE	
ACAT III	Not ACAT I or II; Designated by CAE	CAE	Designated by CAE	

 * All Dollar Amounts Are in Fiscal Year (FY) 2000 Constant Dollars
 **Service Secretary or Director of a Defense Agency

Figure 4-2. Acquisition Categories

<u>ACAT</u>:	Acquisition Category	<u>HoC</u>:	Head of Component	
<u>ASD</u>:	Assistant Secretary of Defense	<u>MAIS</u>:	Major Automated Information	
<u>AT&L</u>:	Acquisition, Technology, & Logistics		Systems	
<u>CAE</u>:	Component Acquisition Executive	<u>MDA</u>:	Milestone Decision Authority	
<u>C3I</u>:	Command, Control, Communications,	<u>MDAP</u>:	Major Defense acquisition Program	
	& Intelligence	<u>OSD</u>:	Office of the Secretary of Defense	
<u>CIO</u>:	Chief Information Officer	<u>RDT&E</u>:	Research, Development, Test	
<u>DAE</u>:	Defense Acquisition Executive		& Evaluation	
		<u>USD</u>:	Under Secretary of Defense	

ACAT I Programs

The Under Secretary of Defense for Acquisition, Technology, and Logistics (USD (AT&L)) designates an acquisition program as ACAT I when its size and complexity warrant the highest level of oversight, when the cost for research, development, test, and evaluation (RDT&E) is

estimated to exceed $365 million, or the estimated cost for procurement exceeds $2.190 billion. ACAT I programs are also called Major Defense Acquisition Programs[6] (MDAPs) and are organized into two sub-categories based on the level of oversight determined necessary by the USD (AT&L):

- If the USD (AT&L) chooses to be the Milestone Decision Authority (MDA), the program is designated as ACAT ID. The suffix, "D" refers to the Defense Acquisition Board (DAB) that advises the USD (AT&L) at major decision points (milestones).

- If the MDA is a DoD Component Head (a service secretary or agency head), or the designated Component Acquisition Executive (CAE), the program is designated as ACAT IC. The suffix, "C" refers to Component.

ACAT IA Programs

ACAT IA denotes Major Automated Information System (MAIS) acquisition programs. Information systems are designated by the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD (C3I)) as ACAT IA when the size and complexity of the program warrants the highest level of oversight, the estimated program costs for any single year exceeds $31.5 million, the total program cost is estimated to exceed $126 million, or the total life-cycle cost is estimated to exceed $378 million. MAIS programs are organized into two sub-categories based on the level of oversight determined necessary by the ASD (C3I):

- If the ASD (C3I), who is OSD's Chief Information Officer (CIO), chooses to be the MDA, the program is designated as ACAT IAM. The suffix, "M" refers to Major Automated Information System (MAIS).

- If the MDA is a DoD Component CIO, the program is designated as ACAT IAC. The suffix, "C" refers to Component.

ACAT II Programs

When an acquisition program does not meet the criteria for ACAT I or ACAT IA, designation authority shifts to the Component Heads. If a service secretary or DoD agency director determines a program of sufficient importance to warrant service or agency-level oversight, the program is designated as ACAT II. A program is also designated as ACAT II when the cost for RDT&E is estimated to exceed $140 million, or estimated procurement cost exceeds $660 million. The MDA for ACAT II programs is the Component Acquisition Executive.

ACAT III Programs

These are acquisition programs that do not meet the criteria for ACAT I, ACAT IA, or ACAT II. The MDA is designated by the CAE to the lowest appropriate level.

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[6] A list of the current (19 December 2000) Major Defense Acquisition Programs (MDAPs) is located on DoD's Acquisition Website: http://friends.acq.osd.mil/ara/dab_oipt/schedule/mdaplist.html.

Requirements Generation System (RGS)

Almost all acquisition programs are based on validated mission needs that result from ongoing assessments of current and projected capability. DoD components must first try to satisfy mission needs through nonmateriel solutions such as doctrinal or organizational changes. If a materiel solution is required and could result in an ACAT I or ACAT IA program, the JROC reviews the documented mission need, determines its validity, and evaluates its joint potential. Upon approval, the mission need is forwarded to the DAB for consideration as an acquisition program. These activities are organized into a four-phase process: Definition, Documentation, Validation, and Approval.

RGS–Definition Phase

The definition phase of the RGS is shown in Figure 4-3 and includes the process of defining, describing, and justifying a mission need to satisfy a capability, deficiency, or exploit a technological opportunity. Mission needs may seek to establish a new operational capability, improve an existing capability, or exploit an opportunity to reduce cost or enhance performance.
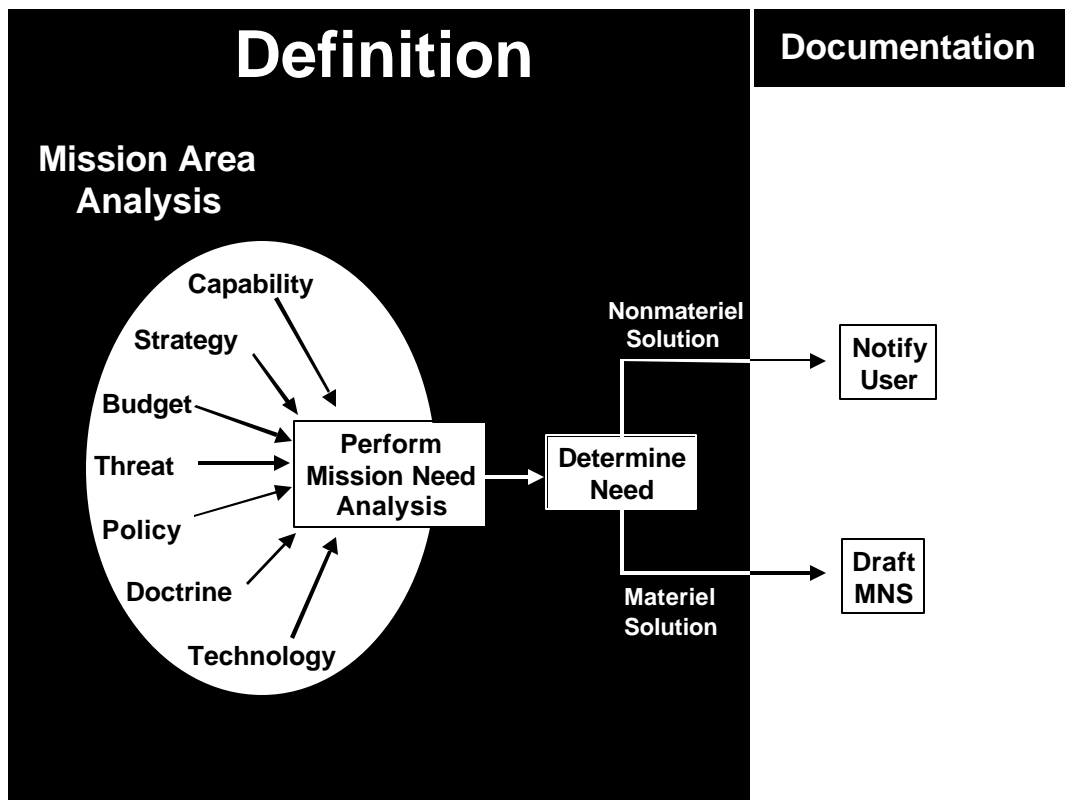
Figure 4-3. RGS: Definition Phase

Mission needs are identified through continuing assessments, such as mission area analyses. Current and projected capabilities are considered in the context of changing military threats, the national security policy, the National Military Strategy, and the Defense Planning Guidance. These assessments are conducted throughout DoD by the services, DoD agencies, CINCs, OSD, and Joint Staff.

Once a mission need has been identified, the originator determines whether that need can be satisfied through nonmateriel solutions such as changes in doctrine, operational concepts, tactics, training, or organization. If a nonmateriel solution is not feasible, the next step is to evaluate systems or programs that are already being developed, produced, or deployed by other services, commercial products, or allied nations that have the potential of fulfilling the mission need. If no existing solution is apparent, the process continues.

RGS–Documentation Phase

In the documentation phase of the RGS, the originator describes the mission need in the draft MNS that is coordinated with the CINCs, services, and DoD agencies that have interest in the potential program. After this initial coordination and review, the originator of the MNS determines the appropriate ACAT designation using the criteria in Figure 4-2 on page 4-5. Based on this determination, the originator forwards the MNS to the appropriate validation and approval authority. Figure 4-4 illustrates the documentation process.
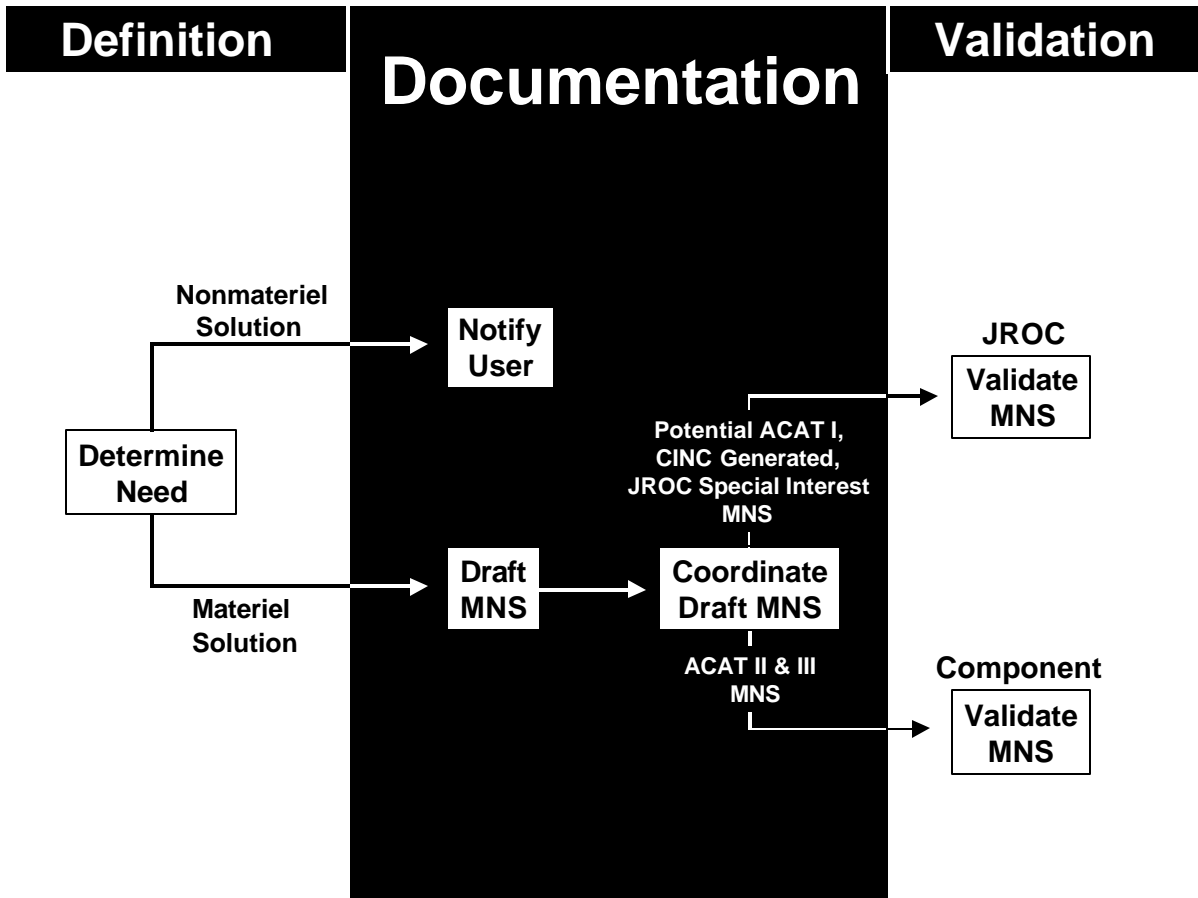
Figure 4-4. RGS: Documentation Phase

RGS–Validation Phase

The validation phase is the formal review of the MNS by an appropriate authority, other than the user, to confirm that the mission need exists and cannot be satisfied by a nonmateriel solution. The validation authority also assesses the joint potential of the MNS. Figure 4-5 depicts the validation process.
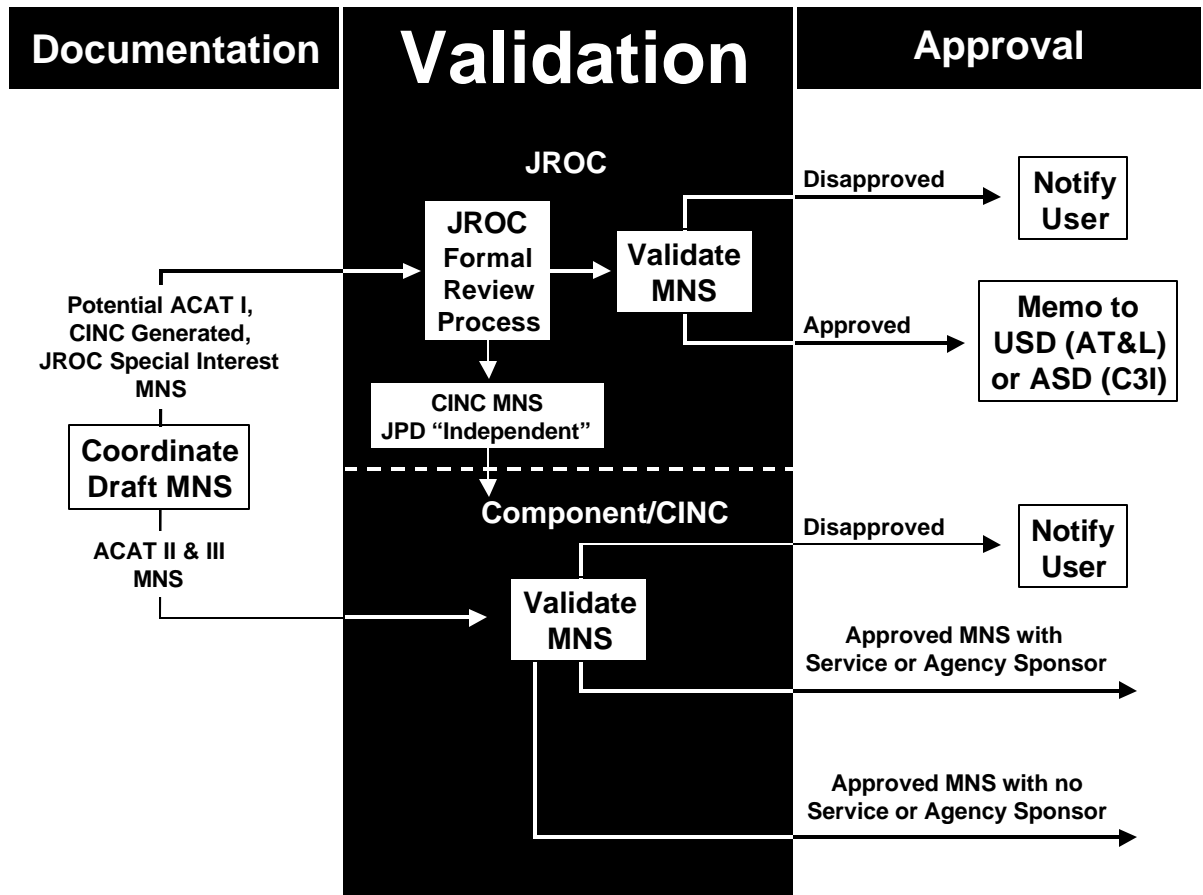
Figure 4-5. RGS: Validation Phase

The JROC validates all MNSs for all potential ACAT I, ACAT IA, and JROC Special Interest programs.

Service secretaries and agency directors, or their designated CAEs, have validation authority for ACAT II and ACAT III MNSs generated within their organizations. CINCs, however, forward all MNSs generated within their commands to the Joint Requirements Panel (JRP) for initial review. If the CINC-generated MNS has no joint interest, the JRP returns ACAT II and ACAT III MNSs to the sponsoring CINC for validation and approval. Though CINCs have the authority to validate these ACAT II and III MNSs, the preferred method is for the CINCs to identify their mission needs to the appropriate service component. The component commanders then coordinate the definition and documentation activities through their service and keep the CINCs apprised of the status of the MNSs.

RGS–Approval Phase

Approval is a formal sanction by the JROC or Component Acquisition Executive (CAE) that the validation process is complete and the identified needs or operational capabilities described in the MNSs are desired. Figure 4-6 depicts this approval process.
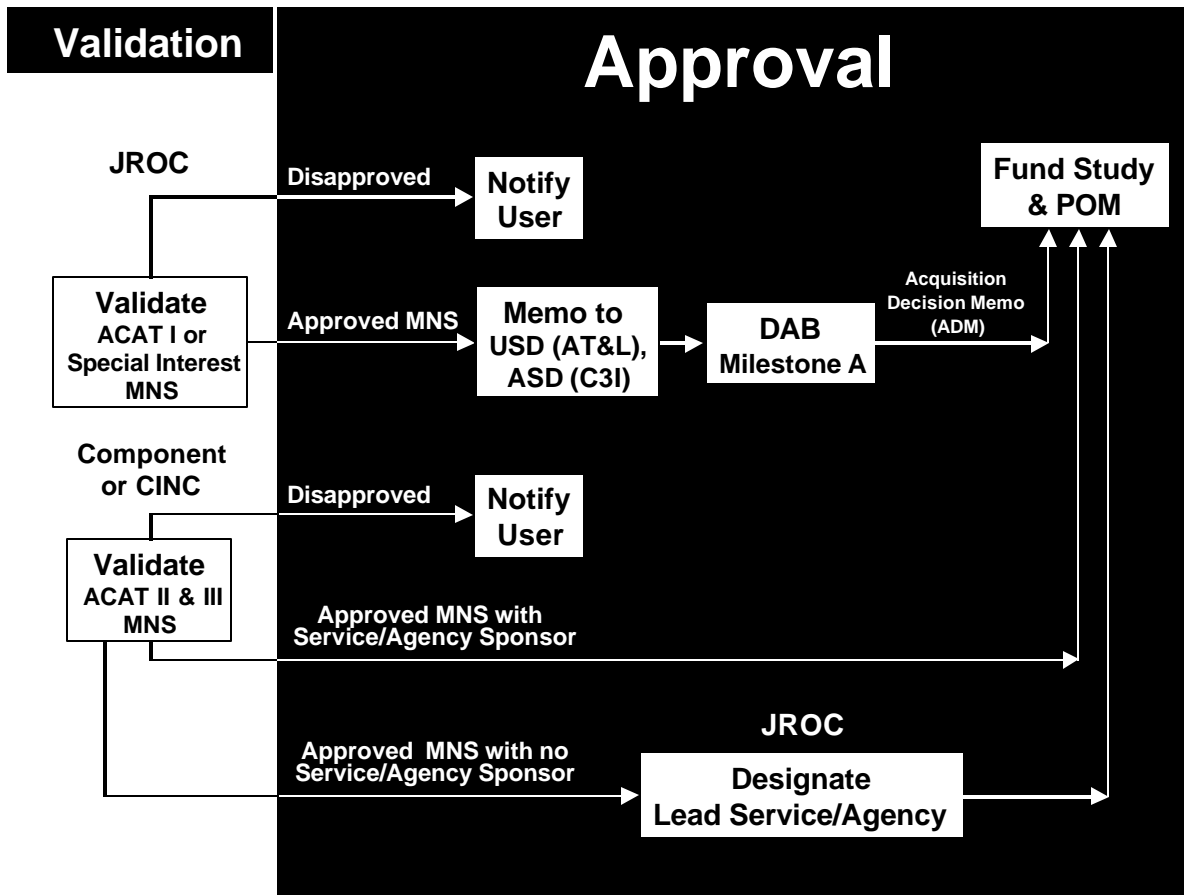
Figure 4-6. RGS: Approval Phase

The approval authority will indicate a joint potential designator in the MNS and may recommend the lead service or agency for programs involving more than one DoD component. Once approved, the JROC forwards potential ACAT I MNSs to USD (AT&L) and ACAT IA programs to ASD (C3I) for review and consideration for continuation in the acquisition process. The CAE is the approval authority for service-generated ACAT II and ACAT III MNSs.

Figure 4-7 provides a summary view of the four phases of the RGS.

Definition

Mission Area Analysis

Threat
Policy   Budget
Doctrine   Strategy

Capability → Perform Mission Need Analysis ← Technology

Determine Need

Nonmateriel Solution   Materiel Solution

Notify User   Draft MNS

Potential ACAT I, CINC Generated, & JROC Special Interest MNS

Coordinate Draft MNS

ACAT II & III MNS

Documentation

Validation

JROC

JROC Formal Review Process

Validate ACAT I, Special Interest MNS

Disapproved → Notify User

Approved MNS → Memo to USD (AT&L), ASD (C3I) → DAB Milestone A

Approval

Fund Study & POM

Acquisition Decision Memo (ADM)

Disapproved → Notify User

Validate ACAT II & III MNS

Component or CINC

Approved MNS with Service/Agency Sponsor

Approved MNS with not Service/Agency Sponsor

JROC

Designate Lead Service/Agency

Approved MNS with Service/Agency Sponsor

Figure 4-7. Requirements Generation System

This may seem like a lot of effort to process one document. However, the RGS is intended to preclude initiating programs that do not contribute to our national security requirements, avoids duplicating existing capabilities, and determines that using some other means cannot fill the need.

Science and Technology Program

Technological superiority continues to be the cornerstone of U.S. defense strategy. Maintaining this technological advantage has become even more important with the downsizing of force structure and the increasing availability of high-technology weapons on the world market.

DoD's Science and Technology (S&T) program grew out of this need to develop options for decisive military capabilities based on superior technology. The S&T program pursues this goal in two ways. In the first approach, warfighters and planners anticipate operational concepts, the functional capabilities that might be necessary, and how technology might enable attainment of such capabilities. Then, the planners develop S&T projects that explore potential technologies, solve problems, and ultimately deliver the desired capabilities. In the second approach, planners also start from an anticipated scientific opportunity and develop projects to explore that opportunity, but without any definition of their contribution to military operations.

The S&T program is organized into three categories of research and development. Congress authorizes and appropriates funds for each category—Basic Research (6.1 account), Applied Research (6.2 account), and Advanced Technology Development (6.3 account).

- The Basic Research Program (6.1) seeks to advance understanding of fundamental aspects of processes and properties. While sometimes this basic research pays a dividend with a transition directly from the research laboratory to a defense system in the field, breakthroughs often require decades before the potential is harnessed for military use. Most research products are incremental, evolutionary advances; revolutionary breakthroughs are rare, but highly valuable. Basic research is a long-term investment, with emphasis on opportunities far in the future. Universities perform more than half of DoD's basic research program. Scientists and engineers at DoD laboratories also perform research. A portion of the program is placed in industry, non-profit research institutes, and other federal laboratories.

- The Applied Research Program (6.2) builds on the efforts of basic research by examining maturing technologies for military use. Applied Research provides proof of concept experiments and evaluations built around models and laboratory experiments.

- The Advanced Technology Development Program (6.3) takes the results of applied research by building prototypes that harness technological advances to provide military capability.

The *Defense Science and Technology Strategy* provides DoD's vision and goals, establishes priorities, and describes the structure of the S&T program. The strategy is implemented through a series of annual documents:[7]

- The *Basic Research Plan* presents the DoD objectives and investment strategy for DoD-sponsored basic research (6.1) performed by universities, industry, and service laboratories.

- The *Defense Technology Area Plan* presents DoD objectives and investment strategy for applied research (6.2) and advanced technology development (6.3). It takes horizontal perspective across the service and defense agency S&T efforts.

- The *Joint Warfighting Science and Technology Plan* takes a joint perspective across the 6.2 and 6.3 programs of the services and defense agencies to ensure they support priority future joint warfighting capabilities.

- The *Defense Technology Objectives* identify specific technology advancements to be developed or demonstrated, the anticipated date of technology availability, the resulting benefits, and the required funding to achieve the new capability.

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[7] You can view the Defense Science and Technology Strategy and supporting documents on the Deputy Under Secretary of Defense (Science and Technology) website: http://www.dtic.mil/dusdst/dstp.html.

Advanced Concept Technology Demonstrations (ACTDs)

DoD designed the Science and Technology program to accelerate the development of technology to a level of maturity at which military utility can be demonstrated. The ACTD process was initiated in 1994 to permit the early and inexpensive evaluation of mature advanced technologies. Jointly planned by users and technology experts, an ACTD enables operational forces to experiment in the field with new technology in order to evaluate potential changes to doctrine, operational concepts, tactics, modernization plans, and training. ACTDs involve the warfighters in the investigation of new technology concepts while exploration of applications in warfighting systems is still at an informal stage. This method allows iterative change of both the system and the user's concept of operation without the constraints and costs incurred in formal acquisition. ACTDs are structured and executed so that, when successful, they can transition rapidly into formal acquisition.[8]

ACTD Generation and Approval

Although not governed by the Requirements Generation System (RGS), ACTDs undergo a similar process. Proposed ACTDs are submitted in response to an annual data call issued by the Deputy USD (Advanced Systems and Concepts) (DUSD[AS&C]). Each proposal includes:

- Descriptions of the perceived military need, urgency of timing, and potential utility of the candidate system.

- Description of the basic technology or concept.

- Type of demonstration envisioned.

- Participants in the ACTD and degree to which the proposed ACTD will support joint/combined operations.

- Overall funding and schedule for the ACTD.

- Description of perceived technical, funding, and schedule risks of the proposal.

- JV2020 operational concept in view, i.e., Dominant Maneuver, Precision Engagement, Full-Dimensional Protection, or Focused Logistics.

- Proposed lead service or agency and the user-sponsor.

- Envisioned disposition of residual assets and ACTD transition strategy.

ACTD Briefings, Reviews, and Approval

The DUSD (AS&C), with S&T representatives from across the DoD community, reviews the proposals, selects ACTD candidates, and forwards these candidates to the JROC. The JROC reviews and recommends prioritization of ACTD candidates based on military need. This JROC review is equivalent to their validation of MNSs in the RGS. At this point, information on the candidates is provided to the Congressional Authorization and Appropriations Committees for

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[8] You can find additional information on the ACTD process on the Deputy Under Secretary of Defense for Advanced Systems and Concepts website: http://www.acq.osd.mil/actd.

budget considerations. The Joint Staff and OSD conduct a "final scrub" just prior to the start of the fiscal year. DUSD (AS&C) establishes the final list and, after coordination with VCJCS and the USD (AT&L), signs the final ACTD Implementation Directives for the approved ACTDs.

ACTD Management Plan

ACTDs bypass much of the documentation required by the RGS, relying instead on the ACTD Management Plan. As part of the ACTD philosophy, which attempts to avoid excessive paperwork, this plan is intended to be an executive-level document, written in informal language by the primary acquisition and user organizations for the ACTD. The Plan provides a top-level description of the demonstration with sufficient detail that the vital objectives, approach, critical events, participants, schedule, funding, and transition objectives are understood and (by endorsement) agreed upon by all relevant parties. An Oversight Group, chaired by DUSD (AS&C) and representation from the principal user and development organizations, and Joint Staff, evaluates and supervises progress of the ACTD**.**

ACTD and the Defense Acquisition System

There are three potential outcomes of an ACTD:

- If the technology does not demonstrate sufficient military utility, the project is terminated. It never becomes an acquisition program.

- If utility is demonstrated, the residual capability that remains at the completion of the demonstration is fielded as an interim and limited operational capability. The prototype(s) used for warfighter evaluation will be left with the operational command and employed as needed.

- If utility is demonstrated and quantities are needed that exceed the initial prototype production, the technology enters the Defense Acquisition System. The ACTD could enter the System Development and Demonstration phase, if further development is warranted, or the Production and Deployment phase.

Defense Acquisition System (DAS)

The DAS is a management process used to translate broadly-stated user needs and technological opportunities into reliable and sustainable systems that provide capabilities to the user. Figure 4-8 depicts this process. The DAS is organized into three general activities (pre-systems acquisition, systems acquisition, and post-systems acquisition) with multiple paths into and out of each of these activities. **Pre-systems acquisition** includes the research, development, and procurement of technology. During **systems acquisition**, technologies are developed into systems, which are demonstrated, produced or procured, and deployed. Once deployed, the system is supported throughout its operational life and eventual disposal in **post-systems acquisition**. Proposed programs may enter at various points of the process, depending on the maturity of the concept and technology. Decision makers and Program Managers have the flexibility to tailor their acquisition strategies to best fit the particular conditions of an individual program in order to minimize the time it takes to satisfy the user's need. Each acquisition phase (Concept and Technology Development; System Development and Demonstration; and Production and

Deployment) of the DAS includes all the tasks and activities needed to bring a program to the next major decision point (milestone). In order to initiate or move to the next phase, the Milestone Decision Authority (MDA) reviews the program and considers threat projections, system performance, unit production cost estimates, life-cycle costs, interoperability, cost-performance-schedule trade-offs, acquisition strategy, affordability constraints, and risk management. Milestone reviews (Milestones A, B, and C) require rigorous assessments of the program's status and plans for the future. The information needs of the MDA and supporting staffs at each level must be satisfied by the Program Manager.
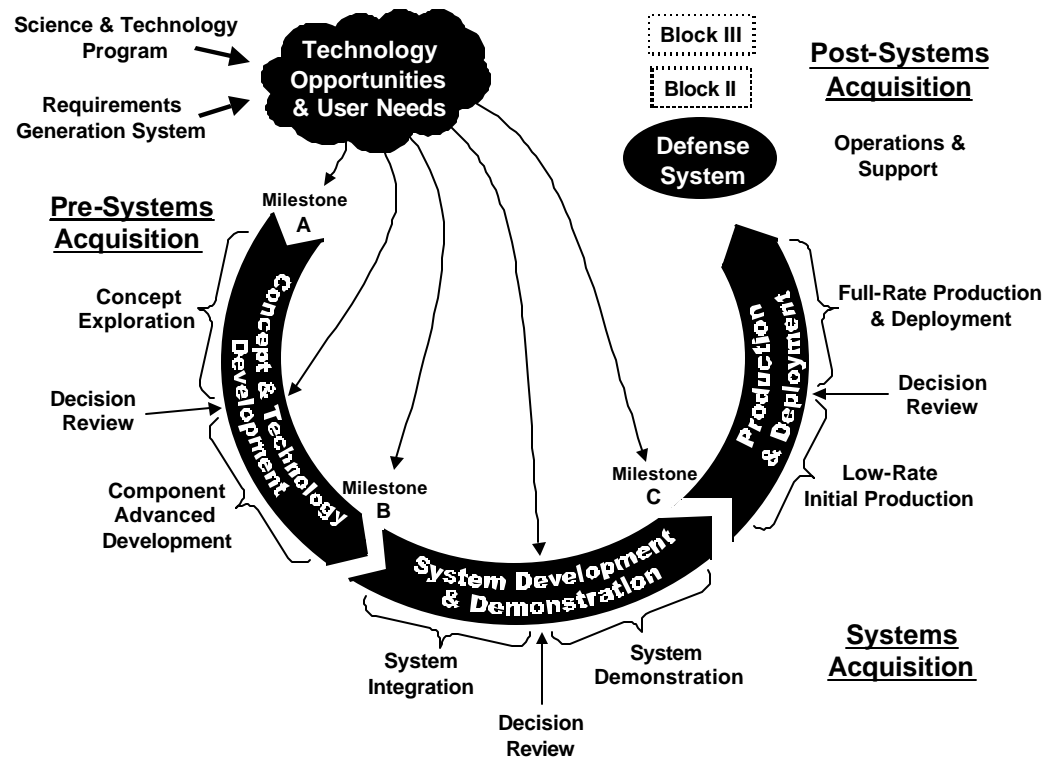
Figure 4-8. DAS: Milestones & Phases

It is important to remember that every acquisition program is different and none precisely follows the entire process. PMs and MDAs have the flexibility to modify the process around prescribed core activities to meet the needs of their particular program. They are expected to apply common sense and sound business practices.

Pre-Systems Acquisition

Pre-systems acquisition includes the identification and development of user needs (accomplished in the Requirements Generation System [RGS]); the development of technological opportunities (accomplished in the Science and Technology (S&T) Program); and the selection and maturation of concepts and technology specific to the development of a material solution to the user needs (accomplished in the Concept and Technology Development phase of DAS).

One of the paths from pre-systems acquisition into systems acquisition begins with examining alternative concepts to meet a stated mission need. This path starts with a decision to enter Concept and Technology Development phase at Milestone A.

Milestone A

At Milestone A, the MDA designates a lead service or agency, approves Concept Exploration exit criteria, and publishes an Acquisition Decision Memorandum (ADM) that approves entry into the Concept and Technology Development phase. The MDA will initiate concept studies if a concept has not already been selected. A favorable Milestone A decision does not yet mean that a new acquisition program has been initiated.

Concept and Technology Development Phase

The purpose of the Concept and Technology Development phase is to examine alternative concepts, including cooperative opportunities and procurement or modification of Allied systems or equipment, to meet a stated mission need. This phase consists of Concept Exploration followed by a decision review, and then continues with Component Advanced Development. Some Milestone A decisions can lead directly to Component Advanced Development.

Concept Exploration typically consists of competitive, parallel, short-term concept studies. The focus of this effort is to define and evaluate the feasibility of alternative concepts and to provide a basis for assessing the relative merits (i.e., advantages and disadvantages, degree of risk, etc.) of these concepts. Analyses of Alternatives are used to facilitate comparisons of alternative concepts. The most promising system concepts are defined in terms of initial, broad objectives for cost, schedule, and performance; identification of interoperability, security, and operational support; opportunities for trade-offs; overall acquisition strategy; and test and evaluation strategy.

During Concept Exploration, the MDA may hold a **Decision Review** to determine if any of the concepts involve components that require additional development before key technologies are sufficiently mature to enter the next phase (System Development and Demonstration). If the concepts do not require technologies necessitating additional component development, the MDA will hold the appropriate milestone (B or C) in place of this decision review.

Upon selection of a concept, the project enters **Component Advanced Development**. This portion of the Concept and Technology Development phase develops a system architecture and demonstrates component technology in a relevant environment. This effort is intended to reduce risk on components and subsystems that have only been demonstrated in a laboratory environment and to determine the appropriate set of subsystems to be integrated in the full system. During this activity, the lead service or agency develops the Operational Requirements Document (ORD) that is required to initiate an acquisition program. Component Advanced Development is normally followed by entry into the System Development and Demonstration phase after a Milestone B review and decision by the MDA.

Systems Acquisition

Systems acquisition is the process of developing the concept selected in pre-systems acquisition (Concept and Technology Development phase of the DAS) into producible and

deployable products that provide capability to the user. This activity encompasses the next two phases of the DAS (System Development and Demonstration; and Production and Deployment).

Milestone B

At each milestone, the MDA has the option to continue the project or program in its current phase, modify the project or program, terminate the project or program, or proceed into the next phase. The purpose of Milestone B is to authorize entry into the System Development and Demonstration phase. Entrance into this phase is dependent on technology maturity, validated requirements, and funding. The MDA reviews all preceding activities and documentation to include: the validated ORD; threat assessments; the Analysis of Alternatives; technology maturity issues and assessments; independent cost estimates; system affordability and funding; and the acquisition strategy. At Milestone B the MDA confirms the acquisition strategy and approves the development Acquisition Program Baseline (APB) and System Development and Demonstration phase exit criteria. The MDA's decisions are forwarded in the Milestone B ADM. The Director of Operational Test and Evaluation (DOT&E) approves the Test and Evaluation Master Plan for all OSD test evaluation oversight programs. Normally, a favorable Milestone B decision constitutes the initiation of an acquisition program.

System Development and Demonstration

The purpose of the System Development and Demonstration phase is to develop a system, reduce program risk, ensure operational supportability, design for producibility, ensure affordability, ensure protection of Critical Program Information, and demonstrate system integration, interoperability, and utility. This phase consists of System Integration followed by an interim progress review, and then continues with System Demonstration. During **System Integration**, the Program Manager (PM) integrates the components and subsystems into a complete system based on the architecture developed in the previous phase. The integrated system is then demonstrated in a relevant environment using prototypes. The PM conducts an **Interim Progress Review** to confirm that the program is progressing within the phase as planned or to adjust the plan to better accommodate progress made to date, changed circumstances, or both. During **System Demonstration**, the PM conducts developmental testing using simulation models, demonstrations, and prototypes. The test results are intended to demonstrate the ability of the system to operate in a useful way in its intended environment and to ensure risks associated with the technology are better understood. The PM identifies trade-offs required to maximize cost, schedule, and performance benefits. The ORD and APB are adjusted as required. If necessary, life-cycle cost estimates are revised to provide data on development, procurement, and operations and support costs. The PM ensures this cost data is updated in the PPBS. When the exit criteria are met, the program is ready for Milestone C review.

Milestone C

A favorable Milestone C decision authorizes an acquisition program to enter into the Production and Deployment phase. For Major Defense Acquisition Programs (ACAT I) and major systems (ACAT II), this constitutes authorization to commence low-rate initial production (LRIP). For non-major systems that do not require LRIP, this constitutes authorization to commence production or procurement. The MDA reviews the preceding activities and documentation to include: the validated ORD; threat assessments; independent cost estimates; system affordability and

funding; and the acquisition strategy. At Milestone B, the MDA confirms the acquisition strategy and approves the updated development APB and Production and Deployment phase exit criteria. The MDA's decisions are forwarded in the Milestone C ADM. The Director of Operational Test and Evaluation (DOT&E) approves the Test and Evaluation Master Plan for all OSD test evaluation oversight programs.

The decision to advance a program into the Production and Deployment phase is significant. Production or procurement consumes enormous resources and rarely will ACAT I programs be reversed once they get moving through this phase.

Production and Deployment Phase

The purpose of the Production and Deployment phase is to achieve an operational capability that satisfies the mission need. This phase consists of low-rate initial production followed by a decision review, and then continues with full-rate production and deployment.

The objective of **Low-Rate Initial Production** (LRIP) is to complete manufacturing development to ensure adequate and efficient manufacturing capability and to produce the minimum quantities necessary to provide production configured or representative articles for operational tests. This also establishes an initial production base for the system and permits an orderly increase in the production rate, sufficient to lead to full-rate production upon successful completion of operational testing. DOT&E is the decision authority for the number of LRIP articles required for Initial Operational Test and Evaluation and for Live-Fire Test and Evaluation.

Before making the full-rate production and deployment decision, the MDA holds a **Decision Review**. This review is similar to a milestone decision in that the MDA will review independent cost estimates, results of operational and live fire test and evaluation, and C4I supportability and interoperability. The MDA must approve the acquisition strategy, the production APB, and provisions for evaluation of post-deployment performance. Following the MDA's approval, the program will enter **Full-Rate Production**.

Post-Systems Acquisition

The objectives of post-system acquisition are the execution of a support program that meets operational support performance requirements and sustainment of the system in the most cost-effective manner for the life-cycle of the system. The sustainment program includes all elements necessary to maintain the readiness and operational capability of the deployed system. This normally includes supply, maintenance, transportation, C4I, manpower, personnel training, survivability, safety, and environmental management.

When the system reaches the end of its useful life, it must be disposed of in an appropriate manner. During demilitarization and disposal, the PM ensures materiel that requires demilitarization is controlled and disposal is carried out in a way that minimizes DoD's liability due to environmental, safety, security, and health issues.

Evolutionary Acquisition

Evolutionary and single step are two approaches to bring an acquisition program to full capability. The evolutionary approach is preferred. In the single step to full capability approach, the

full system capability is developed and demonstrated prior to a Milestone C decision. Under this approach, any modification that is of sufficient cost and complexity that it could itself qualify as an ACAT I or ACAT IA is considered for management purposes as a separate acquisition effort.

Evolutionary acquisition is an approach that fields an operationally useful and supportable capability in as short a time as possible. It delivers an initial capability with the explicit intent of delivering improved or updated capability at some point in the future. In evolutionary acquisition, the ultimate capability delivered to the user is divided into two or more blocks, each with increasing increments of capability. Block I provides the initial deployment capability. Deliveries for subsequent blocks may extend over months or years.

Process Summary

Providing quality weapons and equipment needed by our forces to accomplish the national military strategy requires a highly disciplined, yet flexible management framework that effectively translates operational needs and technology opportunities into stable, affordable acquisition programs.

Through an assessment process, JWCA teams, CINCs, services, and DoD agencies determine requirements or mission needs that are validated and approved by the JROC or service leadership. After approval, further studies and analyses determine the best alternative to meet the mission need. Once an alternative is chosen, the acquisition program is initiated. Meanwhile, DoD's Science and Technology Program explores potential technologies through basic and applied research and advanced technology development. Depending on the maturity of some of these technologies, they are inserted into the acquisition system at various points. Regardless of the path through which a potential program enters the system, the acquisition process continues through a series of phases, paralleling the life cycle of the weapon systems it creates and supports. The decision maker reviews the status of the project or program before a potential program enters the system and at each subsequent milestone. This close scrutiny includes reviewing the maturity of concepts and technology; investigating alternative (cheaper or more timely) means; assessing if the mission need still exists and that the system is achieving the desired objectives at the expected cost; and making trade-offs among cost, schedule, and performance. Given that the decision maker makes a favorable decision, the program will proceed through the process. When a need has approval to proceed as an actual program, there must be funding available. This is where the RGS and DAS interface with the PPBS. The decision makers who identify, validate, and approve the requirement and the decision makers who determine that the requirement will become an acquisition program must work closely with service programmers.

Old verses New Acquisition Process

Previously, an acquisition program was divided into four phases, each beginning with successful completion of a milestone review. The **Concept Exploration** phase focused efforts on defining and evaluating the feasibility of alternative concepts along with their relative merits (i.e., advantages/disadvantages, degree of risk, etc.). In the **Program Definition and Risk Reduction** phase, developmental testing was conducted using simulation models, demonstrations and prototypes. Test results were used to help select the system to be developed, and ensured risks associated with technology, manufacturing, and support were better understood. In the

Engineering and Manufacturing Development phase, contractors would design, fabricate, test and evaluate a complete system. In the **Production, Fielding/Deployment, and Operational Support** phase, systems are produced and deployed. Operational support begins when the first system is fielded and continues until the system leaves the inventory.
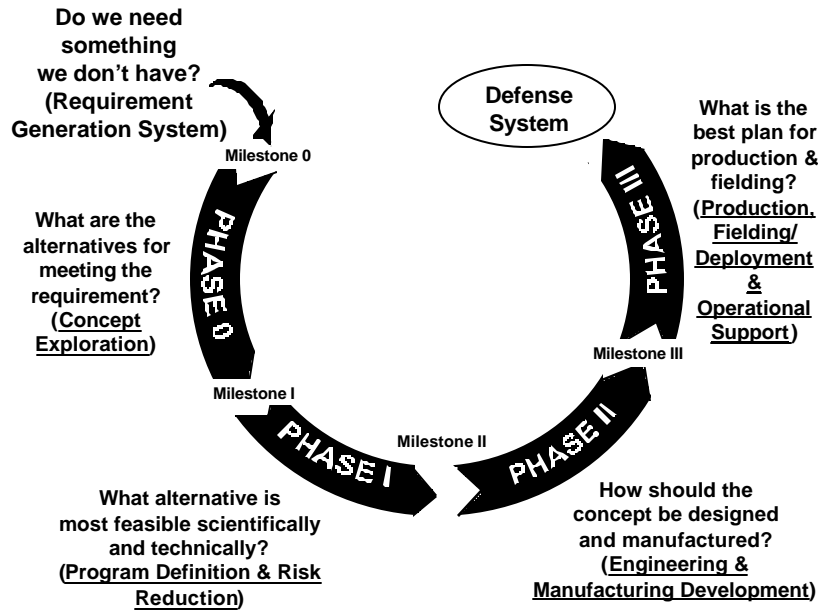
Figure 4-9. Old Acquisition System

Figure 4-9 shows the old acquisition process. Problems associated with this process included little emphasis on logistics and maintenance, no easy way to integrate innovations in technology, and no firm decision criteria. Contrast this with the new system as shown in Figure 4-10.

Science & Technology Program

Requirements Generation System

Technology Opportunities & User Needs

Block III

Block II

Post-Systems Acquisition

Operations & Support

Defense System

Pre-Systems Acquisition

Milestone A

Concept Exploration

Decision Review

Component Advanced Development

Concept & Technology Development

Milestone B

Milestone C

Full-Rate Production & Deployment

Decision Review

Low-Rate Initial Production

Production & Deployment

System Development & Demonstration

System Integration

Decision Review

System Demonstration

Systems Acquisition

Figure 4-10. New Acquisition System

At first glance, it may appear that the process is the same, with only the names of phases and milestones changed. While somewhat true on the surface, the major changes are embedded in the activities that take place in each phase, and the flexibility with which the program manager can conduct these activities. This process also allows for multiple entry points into the cycle to take advantage of more mature systems or technologies. This new system is designed to reduce cost, speed the introduction of advanced technology, shorten cycle times, encourage commercial competition, and provide firm decision criteria at multiple stages to ensure technological maturity prior to making costly procurement decisions. Whether or not the process will solve or mitigate chronic acquisition problems remains to be seen.

Joint Programs[9]

A joint program is an acquisition program funded (in any phase) by more than one DoD component. Typically there is a lead service or component for a joint program. The lead service selects the Program Manager and funds all Research, Development, Testing, and Evaluation for the program except for those portions that are unique to a particular service. The relationship between the various services and the program office is spelled out in a memorandum of agreement (MOA). This MOA specifies the responsibilities of the participating agencies, system requirements, funding, manpower, and the approval process for the program documentation.

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[9] Eller, Barry A., *Joint Program Management Handbook*, Defense Systems Management College Press, July 1996.

The MDA decides whether to establish a joint program. The JROC (for DAB programs), the IT OIPT (for MAIS programs), and the DoD component heads (for all other programs) can recommend establishment of a joint program based upon its joint potential.

Creating a joint program allows for efficiencies. It allows for larger quantity production buys thereby reducing unit prices. It allows for consolidation of program documentation (i.e. single ORD, TEMP, APB, etc.). Finally, it reduces staffing requirements by giving the lead agency control over periodic reports and milestone documentation.

Joint programs require service commitment. A DoD component may not easily terminate or substantially cut its participation in a joint program. In fact, any such action must be reviewed by the JROC (for ACAT ID programs). USD (AT&L) may require a component to continue funding a program after withdrawal if that funding is necessary to maintain program efficiency.

JROC/JWCA Support

The JROC and the JWCA process have become familiar fixtures in the resource allocation process. We have seen how they influence requirements generation and continue to evaluate and validate systems as they work their way through the acquisition process, ensuring that the operational requirements of the CINCs are satisfied. The ongoing capabilities assessment and recommendations that come from the JWCA process support strategy decisions made in the JSPS; programming and budget decisions made in the PPBS; requirement decisions made in the RGS; and acquisition decisions made in the DAS. Figure 4-11 illustrates the decision support provided by the JROC/JWCA throughout the resource allocation process.
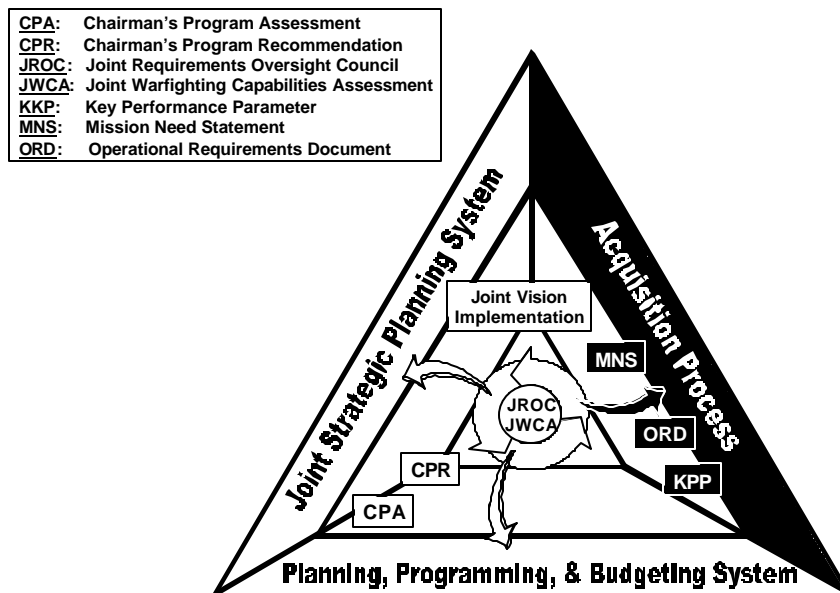
Figure 4-11. JROC/JWCA Support of the Acquisition Process

CINC Influence

The primary objective of the acquisition process is to acquire quality products that satisfy the needs of the warfighter. Figure 4-12 serves as a reminder of the many opportunities the CINCs have to influence the acquisition process.
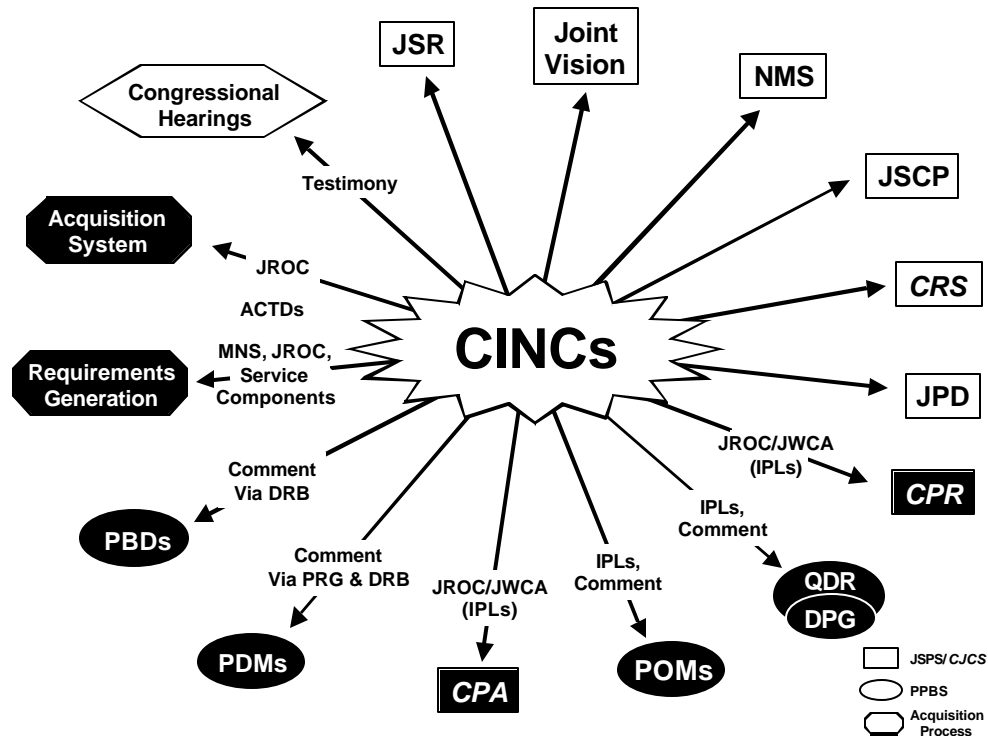
Figure 4-12. CINCs' Influence on Acquisition

ACTD:	Advanced Concept Technology Demonstration	**JSCP:**	Joint Strategic Capabilities Plan
CINCs:	Commanders-In-Chief	**JSPS:**	Joint Strategic Planning System
CJCS:	Chairman of the Joint Chiefs of Staff	**JSR:**	Joint Strategy Review
CPA:	Chairman's Program Assessment	**JWCA:**	Joint Warfighting Capabilities Assessment
CPR:	Chairman's Program Recommendation	**MNS:**	Mission Need Statement
CRS:	Chairman's Readiness System	**NMS:**	National Military Strategy
DAS:	Defense Acquisition System	**PBDs:**	Program Budget Decisions
DPG:	Defense Planning Guidance	**PDMs:**	Program Decision Memoranda
DRB:	Defense Resources Board	**POMs:**	Program Objective Memoranda
IPLs:	Integrated Priority Lists	**PPBS:**	Planning, Programming, & Budgeting System
JPD:	Joint Planning Document	**PRG:**	Program Review Group
JROC:	Joint Requirements Oversight Council	**QDR:**	Quadrennial Defense Review

People

The SecDef controls the acquisition process. The services and DoD agencies manage the majority of the programs through policies and procedures established by the SecDef. To assist with overall management of this complex process, three senior advisory bodies provide oversight of each of the three systems that make up the process. The Joint Requirements Oversight Council oversees the Requirements Generation System (RGS), the Defense Acquisition Board (DAB) oversees the Defense Acquisition System (DAS), and the Defense Resources Board oversees the PPBS. Figure 4-13 shows the composition of these three forums. As you study the diagram, notice that there are individuals who belong to two or more of these bodies. Other groups, such as the Defense Systems Affordability Council, the Defense Advanced Research Projects Agency, and defense industries, also play various roles in the acquisition process.

	Defense Resources Board	Defense Acquisition Board	Joint Requirements Oversight Council
Chairman	DepSecDef	USD (AT&L)	VCJCS
Vice Chairman	CJCS	VCJCS	
Executive Secretary	Director, PA&E	Dep. Director, ASM	Director, J-8
Members (Others may participate at the request of the chairman of each respective board.)	Service Secretaries VCJCS USD (AT&L) USD (Policy) USD (Comptroller) USD (P&R)	USD (Comptroller) ASD (S&TR) ASD (C3I) Director, OT&E CAEs (Navy, Army, & Air Force) OIPT Leader PEO PM	VCNO ACMC VCofS Army VCofS Air Force

ACMC:	Assistant Commandant of the Marine Corps	**JROC:**	Joint Requirements Oversight Council
ASD:	Assistant Secretary of Defense	**OIPT:**	Overarching Integrated Product Team
ASM:	Acquisition Systems Management	**OT&E:**	Operational Test & Evaluation
AT&L:	Acquisition, Technology, & Logistics	**PEO:**	Program Executive Officer
CAE:	Component Acquisition Executive	**PM:**	Program Manager
CJCS:	Chairman of the Joint Chiefs of Staff	**P&R:**	Personnel & Readiness
C3I:	Command, Control, Communications, & Intelligence	**S&TR:**	Strategy & Threat Reduction
		USD:	Under Secretary of Defense
DAB:	Defense Acquisition Board	**VCJCS:**	Vice Chairman of the Joint Chiefs of Staff
DRB:	Defense Resources Board	**VCNO:**	Vice Chief of Naval Operations
J-8:	Force Structure, Resources, & Assessment Directorate (Joint Staff)	**VCofS:**	Vice Chief of Staff

Figure 4-13. Acquisition Oversight

Joint Requirements Oversight Council (JROC)

The JROC has Title 10 responsibility to assists the Chairman of the Joint Chiefs of Staff (CJCS) by:

- Identifying and assessing the priority of joint military requirements (including existing systems and equipment) to meet the national military strategy.

- Considering alternatives to any acquisition program that have been identified to meet military requirements by evaluating the cost, schedule, and performance criteria of the program and of the identified alternatives.

- Assigning joint priority among existing and future programs meeting valid requirements, ensuring that the assignment of such priorities conforms to and reflects resource levels projected by the SecDef through the Defense Planning Guidance.

Joint Requirements Oversight Council	
Chairman	**Vice Chairman of the Joint Chiefs of Staff**
Executive Secretary	**Director, J-8 (Force Structure, Resources & Assessment Directorate)**
Members	**• Vice Chief of Naval Operations** **• Assistant Commandant of the Marine Corps** **• Vice Chief of Staff of the Army** **• Vice Chief of Staff of the Air Force**

Recall that the JROC assists in the preparation of the Chairman's Program Recommendation and the Chairman's Program Assessment. Since all of this JROC energy is focused on requirements and capabilities, it is logical that the JROC also has oversight responsibility of the RGS.

The JROC is the validation and approval authority for Mission Need Statements (MNSs) for potential ACAT I, ACAT IA, and JROC Special Interest programs. Upon approval, the JROC forwards an MNS to the DAB for consideration. The JROC continues to evaluate major acquisition programs as they proceed through the Defense Acquisition System (DAS) to ensure they continue to meet needs of the warfighters. The JROC may also address non-major programs to resolve contentious and high-interest issues such as: designation of the lead service or agency, requirements disconnects, or to review programs at the request of the SecDef or the USD (AT&L). The JROC also plays a role in the Advanced Concept Technology Demonstration (ACTD) process by reviewing and recommending the prioritization of ACTD candidates based on military need.

The Joint Requirements Board (JRB) and the Joint Requirements Panel (JRP) assist the JROC with its RGS oversight responsibilities. Both serve as advisory boards and coordinate and review the RGS documents.

- The JRB is a subordinate organization of the JROC and is composed of flag and general officers from each of the services. The JRB members are normally officers who are involved with the services' requirement processes. The JROC Secretary (Director of J-8) chairs the JRB.

- The JRP is a subordinate organization of the JRB and JROC, and is composed of senior field-grade officers who are the principal advisors to the service's JRB/JROC

principals. A representative from the Defense Intelligence Agency also serves on the panel. The Deputy Director, J-8 chairs the JRP.

Defense Acquisition Board (DAB)

Defense Acquisition Board	
Chairman	Under Secretary of Defense (Acquisition, Technology, & Logistics)
Vice Chairman	Vice Chairman of the Joint Chiefs of Staff
Executive Secretary	Deputy Director, Acquisition Systems Management
Members	• Under Secretary of Defense (Comptroller) • Assistant Secretary of Defense (Strategy & Threat Reduction) • Assistant Secretary of Defense (Command, Control, Communications, & Intelligence) • Director, Operational Testing & Evaluation • Component Acquisition Executives (Navy, Army, & Air Force) • Overarching Integrated Product Team Leader • Program Executive Officer • Program Manager

The DAB is the senior DoD acquisition review board. It is composed largely of senior civilian DoD officials and is chaired by the USD (AT&L). The Vice Chairman of the Joint Chiefs of Staff (VCJCS) is the vice chairman of the DAB and provides military judgment and expertise. The DAB provides specific recommendations to the USD (AT&L) on individual acquisition programs and assists the USD (AT&L) in establishing acquisition policies and procedures. The DAB meets to review ACAT ID programs when they reach a milestone in the Defense Acquisition System, and recommends a course of action to USD (AT&L) regarding the program's future.

Defense Resources Board (DRB)

Defense Resources Board	
Chairman	Deputy Secretary of Defense
Vice Chairman	Chairman of the Joint Chiefs of Staff
Executive Secretary	Director, Program Analysis & Evaluation
Members	• Service Secretaries • Vice Chairman of the Joint Chiefs of Staff • Under Secretary of Defense for Acquisition, Technology, & Logistics • Under Secretary of Defense for Policy • Under Secretary of Defense, Comptroller • Under Secretary of Defense for Personnel & Readiness

The DRB is the senior DoD resource allocation board and is chaired by the DepSecDef. The DRB reviews all aspects of DoD's resources and advises the SecDef on major resource allocation decisions. A DRB review can severely impact the budgeting of major acquisition systems as each program must compete with all other programs for funding. We saw the DRB in action in our study of the PPBS in Chapter 3. It resolves programming issues during the programming phase, helping the DepSecDef (ultimately the SecDef) make decisions on the programs that will go forward in the FYDP and end up in the President's Budget. If Congress appropriates funds for a program, that program will continue in the acquisition process and eventually become an operational system.

Defense Systems Affordability Council (DSAC)[10]

The DSAC (formerly the Defense Manufacturing Council) provides a forum for senior acquisition leadership to discuss acquisition issues. It plays an integral role in the implementation of acquisition reform, specifically to develop and guide the implementation of an integrated DoD strategy for more efficient and effective modernization. To achieve this end, the DSAC seeks to reduce the cycle time of acquisition and support, reduce the total ownership costs of defense systems, and reduce the overhead costs of the acquisition and logistics infrastructure. The DSAC is chaired by USD (AT&L) and has representation from the acquisition and logistics communities of OSD, Joint Staff, defense agencies, and services.

Defense Advanced Research Projects Agency (DARPA)[11]

DoD established DARPA in 1957 in response to the Soviet Union's launch of Sputnik to ensure the U.S. military was equipped with state-of-the-art technology and to prevent technological surprise from its adversaries. DARPA's mission is to develop imaginative, innovative, and often high-risk research ideas whose technological impact goes well beyond the normal evolutionary developmental approaches; and to pursue these ideas from the demonstration of technical feasibility through the development of prototype systems. Unlike the top-down, requirements-driven research and development conducted by the services, DARPA's research and development is bottom-up and driven by event and opportunity. The Director of DARPA reports to the Director, Defense Research and Engineering, who comes under USD (AT&L).

Defense Industries

The changing face of the military industrial complex in a competitive global economy has changed the way the defense industry influences and interacts with the Department of Defense. Since the end of the Cold War, defense drawdowns have had a significant affect on companies used to guaranteed business and strong political support. In the early 1990s, then Deputy Secretary of Defense William Perry warned there would no longer be enough work to spread among the existing defense contractors. The resulting defense industry consolidation has left just a handful of companies capable of fielding major weapon systems, with little market-based competition. In addition, many of DoD's reform efforts have had unintended consequences on the financial health of these few remaining companies. Many companies that have never done business with DoD are developing technology that has potential military applications. How to interest these potential sources of defense technology in a tightly regulated market is another challenge of acquisition reform.

Now that you are aware of the senior decision-making bodies that manage the process, and other entities and organizations that influence it, we will continue by discussing some key individuals.

Deputy Secretary of Defense (DepSecDef)

As the chairman of the DRB, the DepSecDef approves funding for new acquisition programs and provides general affordability planning guidance for use in structuring these programs.

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[10] For additional information on this organization, see DSAC's website: http://www.acq.osd.mil/dsac.

[11] For additional information on this organization, see DARPA's website: http://www.darpa.mil.

Other Participants from Office of the Secretary of Defense (OSD)

Included in this list of OSD participants are many individuals we have already discussed under the PPBS in Chapter 2.[12] Their role in programming and budgeting affects the activities in the DAS. If a program is not included in the FYDP or the DoD budget proposal, or if Congress does not appropriate funds, then there is no acquisition program. The following are some of the more important participants in the acquisition process:

- **The Under Secretary of Defense for Policy (USD [Policy])** leads the DoD planning effort and is a member of the DRB.

- **The Under Secretary of Defense, Comptroller (USD [Comptroller])** leads the DoD budgeting effort and provides independent cost estimates on programs in the acquisition cycle. The Comptroller is a member of the DRB, DAB, and DSAC.

- **The Under Secretary of Defense for Acquisition, Technology, and Logistics (USD [AT&L])** is the senior acquisition official and establishes acquisition policies and procedures for DoD. The USD (AT&L) is the Defense Acquisition Executive for ACAT ID programs. The USD (AT&L) is the chairman of the DAB and DSAC, and is also a member of the DRB.

- **The Deputy Under Secretary of Defense for Advanced Systems and Concepts (DUSD [AS&C])** manages the ACTD program and is a plenary group member of the DSAC.

- **The Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD [C3I])** is DoD's Chief Information Officer (CIO). As such, the ASD (C3I) is the Department's Acquisition Executive for Automated Information Systems (AISs) and establishes acquisition policies and procedures unique to AISs. In this capacity, ASD (C3I) is responsible to ensure interoperability of information technology and national security systems throughout DoD.

- **The Director of Operational Test and Evaluation (DOT&E)** establishes DoD policies and procedures for operational test and evaluation, and live-fire test and evaluation.

- **The Director of Program Analysis and Evaluation (PA&E)** provides guidance for the conduct of Analysis of Alternatives studies prepared for acquisition programs, and then reviews their results. For Automated Information Systems, PA&E reviews cost and benefit analyses to ensure they are accurate and complete.

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[12] Appendix 1, pp. A-1-3 through A-1-5 of this text provides information on the organizational structure of the Office of the Secretary of Defense.

Chairman of the Joint Chiefs of Staff (CJCS)

The CJCS is responsible for assessing military requirements for defense acquisition programs and represents the CINCs with regard to their operational needs. In this capacity, the Chairman is responsible for establishing policies and procedures that govern the RGS.

Vice Chairman of the Joint Chiefs of Staff (VCJCS)

The VCJCS is chairman of the JROC, vice chairman of the DAB, and is a member of the DRB. The CJCS delegates oversight authority for the RGS to the VCJCS who exercises this authority as the chairman of the JROC. The VCJCS is the Requirements Authority for all potential Major Defense Acquisition Programs and designated Special Interest acquisition programs. The VCJCS assists the CJCS in representing the CINCs' interests in every aspect of the resource allocation process.

Military Departments (Services)

Service Secretaries are responsible for implementing policies and procedures that govern individual service requirements, programming and budgeting, and acquisition processes. Service Secretaries are members of the DRB. As Component Heads, they act as Milestone Decision Authorities, or can delegate this authority to their service Component Acquisition Executive (CAE), an Assistant Secretary.

The services define mission needs and operational requirements, and coordinate the documentation of those requirements with the other services and the CINCs. For ACAT II or ACAT III programs, the services have validation and approval authority. Based on the approved mission need and programming guidance from the SecDef, the services conduct funding studies and build acquisition programs into their Program Objective Memoranda.

Combatant Commanders (CINCs)

The CINCs identify their most critical requirements (mission needs) to the SecDef, CJCS, and services by the annual submission of their Integrated Priority Lists. In a complementary process, the CINCs identify their mission needs (critical or otherwise) to their service component commanders, who then document and coordinate those needs in the form of Mission Need Statements (MNS), track their progress through the RGS, and keep the CINC apprised of their status. CINCs have authority to validate and approve MNSs generated by their own command if the MNS has no potential for joint development or procurement. Once approved, the CINC will forward the MNS to the appropriate service or agency's office responsible for requirements generation, which will forward the MNS to their CAE. With the exception of U.S. Special Operations Command, the CINCs have no acquisition executive. The CINCs do not have membership on any resource boards or councils; their interests are represented by the CJCS as the vice chairman of the DRB, and the VCJCS who is the chairman of the JROC, vice chairman of the DAB, and a DRB member. This is consistent with the CINCs' role as operational commanders. Generally, CINCs have very small staff elements dedicated to resource allocation.

U.S. Joint Forces Command (JFCOM) has a unique role among the CINCs as the Joint Force Integrator and as the executive agent for joint experimentation. JFCOM is responsible for

developing joint, combined, and inter-agency capabilities to improve interoperability and enhance current operational capabilities; identifying and assessing future joint warfare concepts and the required operational capabilities to support them; and coordinating and synchronizing current integration activities with the development of future operational capabilities. JFCOM works closely with the Joint Staff, JROC, services, and other CINCs to identify and refine Required Operational Capabilities (ROC) and MNSs for joint interoperability. This effort eliminates the development and fielding of costly stand-alone systems, which can result in major interoperability problems. In addition, JFCOM's efforts can prevent the mis-application of scare resources that have potential for support of joint operations.

DoD Agencies

The DoD agencies may develop their own mission needs as DoD components. They may be directed to manage acquisition programs initiated by the CINCs or services.

Most of the participants we have covered belong to organizations or are members of high-level boards or councils that oversee the entire acquisition process. Now it is time to discuss acquisition players who work closer to or in the trenches.

Acquisition Executive

Acquisition executives are individuals within DoD charged with overall acquisition management responsibilities within their respective organizations. The USD (AT&L) is the Defense Acquisition Executive (DAE) responsible for all acquisition matters within DoD. The Component Acquisition Executives (CAEs) are the Secretaries of the Military Departments, Directors of DoD agencies, and the Commander in Chief of U.S Special Operations Command. They have authority to delegate this responsibility and normally appoint senior civilian officials (assistant secretary level) as their CAEs. The CAEs supervise the operation of the acquisition process within their component and enforce policies established by the USD (AT&L). The CAEs also serve as Milestone Decision Authorities (MDAs) for assigned ACAT IC and ACAT II programs. For example, in the Department of the Navy, the Assistant Secretary of the Navy, Research, Development, and Acquisition is the CAE.

Program Executive Officer (PEO)

PEOs normally manage multiple, related programs (occasionally, a PEO will only manage a single program, such as the Joint Strike Fighter). They review the Program Managers' proposed acquisition strategies and the level of risk associated with such plans. As the acquisition strategy of a program is executed, the PEO assesses problems reported by the Program Manager and helps determine the changes that may be necessary. PEOs also serve as MDAs for assigned ACAT III programs. Examples of Navy program areas with designated PEOs are: Tactical Air Programs; Theater Air Defense and Surface Combatants; Advanced Amphibious Assault; Undersea Warfare; and Information Technology.

Program Manager (PM)

A PM, in most cases, manages a single program. As part of their management responsibilities, PMs provide assessments of program status and risk to higher authorities (PEOs)

and to the user; actively manage program cost, performance, and schedule; and provide assessments of contractor performance.

Integrated Product Team (IPT)

An IPT is a multi-functional team composed of representatives from all appropriate functional disciplines, sometimes including defense industry representatives. They work with a team leader to build a successful and balanced program, identify and resolve issues, and make sound and timely recommendations to facilitate decision making at all levels of the acquisition management structure. IPTs assist the PM by engaging OSD and service staffs in early and continuous support, and by identifying and resolving issues as early and as quickly as possible.

Requirements Authority

The Requirements Authority is the individual within the DoD component charged with overall requirements definition and validation, including the development of Mission Need Statements, Capstone Requirements Documents, and Operational Requirements Documents. The VCJCS, in the role as Chairman of the JROC, is the Requirements Authority for all potential Major Defense Acquisition Programs and designated defense Special Interest programs.

Products

Like the other processes we have studied, acquisition involves a lot of documentation. Some of the items discussed below, although technically not documents, are important management tools that will show up in many different acquisition documents and influence the decision-making process. The first three documents we will address are associated with the RGS: the Mission Need Statement (MNS), the Capstone Requirements Document (CRD), and the Operational Requirements Document (ORD). Subsequent documents are more closely associated with the DAS.

Mission Need Statement (MNS)

The MNS presents a requirement for an operational capability in broad terms. The refinement to system-specific characteristics will come later in the process after the mission need has been approved. Any organization in DoD (services, CINCs, Joint Staff, DoD agencies, and OSD) can generate a MNS as long as it follows a specified format shown in Figure 4-14.[13] Note that the mission need must be linked to planning and programming activities in the PPBS. Also note the required discussion of nonmaterial solutions, and potential materiel solutions that could result from exploiting other service or Allied programs. The last portion of the document indicates the expected level of joint DoD component involvement.

MISSION NEED STATEMENT FOR

TITLE OF OPERATIONAL CAPABILITY NEED

Potential ACAT____

1. **Defense Planning Guidance Element.** Identify the major program planning objective or section of the Defense Planning Guidance (DPG) to which this need responds.

2. **Mission and Threat Analyses.** Identify and describe the mission need or deficiency in terms of mission, objectives, and general capabilities, *not in terms of equipment or system-specific performance characteristics*. Discuss the projected threat environment and shortfalls of existing capabilities in meeting these threats. Comment on the timing and priority of need relative to other needs in this mission area.

3. **Nonmateriel Alternatives.** Identify any changes in U.S. or allied doctrine, operational concepts, tactics, organization, and training that were considered and why they were judged inadequate.

4. **Potential Materiel Alternatives.** Identify known systems or programs that address similar needs and that are deployed or are in development or production by other services, agencies, or allied nations. Discuss potential for inter-service or allied cooperation.

5. **Constraints.** Describe key boundary conditions related to infrastructure support that may affect satisfying the need: available facilities; logistic support; transportation; global geospatial information and services support; manpower, personnel, and training constraints; command, control, communications, and intelligence interfaces; security; standardization and interoperability within DoD components, NATO, other allies, U.S. government agencies and non-government organizations. Address operational environments in which the mission is expected to be accomplished and the level of desired mission capability in these environments.

6. **Joint Potential Designator.** Indicate the Joint Potential Designator established through the validation process.

    A. **Independent.** No potential for other service use or systems interface or for joint development or procurement.

    B. **Joint Interest.** Joint program management is inappropriate, but a potential for other service use or systems interface exists.

    C. **Joint.** A potential for joint program management, joint funding, and/or joint development or procurement exists.

Figure 4-14. Mission Need Statement

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[13] CJCSI 3170.01A, Appendix A to Enclosure C.

Capstone Requirements Document (CRD)

The CRD can be used to identify overarching requirements for a system or several programs that form a "system-of-systems." Examples include missile defense, surveillance, or major command and control systems. A CRD is appropriate when the mission area requires more than one Operational Requirements Document (ORD), especially when these systems are developed by more than one service. The CRD should be developed after the MNS(s) are validated and prior to Milestone B. The JROC designates the lead agency to best represent the overarching requirements covered by the CRD. Figure 4-15 shows the required format and content of the CRD.[14]

CAPSTONE REQUIREMENTS DOCUMENT FOR
PROGRAM TITLE

1. <u>General Description of Operational Capability</u>. Describe CRD analysis and development process. Describe the overall CRD mission area (identify all related documents and possible implications for changing joint doctrine). Describe the family-of-systems/system-of-systems (FoS/SoS) concept. Identify the operational elements that are required to support the CRD mission area. Provide guidance for suitability and infrastructure support.

2. <u>Threat</u>. Summarize the threat to be countered and the projected threat environment. Threat information is based on a Defense Intelligence Agency (or appropriate Service Intelligence Center) validated threat.

3. <u>Shortcomings in Mission Area & Existing Systems</u>. Describe shortcomings or absence of existing capabilities and systems to fulfill the needs of the CRD mission area in the context of postulated threat. Explain why existing C4ISR systems and technical architectures cannot meet current or projected requirements for proposed FoS/SoS.

4. <u>Capabilities Required</u>. Describe the requirements for each of the CRD operational elements (e.g. C4I, attack operations, active defense, passive defense, general). Provide criteria and rationale for each requirement. Identify <u>threshold</u> (minimum acceptable value) and <u>objective</u> required to satisfy the mission need. Identify the time-based nature of the need and the events that are driving the need. Develop CRD key performance parameters (KPPs) that are output oriented, stated in terms of thresholds and objectives, and measurable to facilitate the analysis of progress in achieving the capabilities outlined in the CRD. All CRDs will have as a minimum an interoperability KPP that defines the level of interoperability across the family of systems.

Figure 4-15. Capstone Requirements Document

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[14] Ibid., Appendix A to Enclosure D.

Operational Requirements Document (ORD)

The ORD translates the broad operational capability described in the MNS or CRD into system-specific performance requirements. The user (normally a service or service component of a combatant command) develops the ORD once a potential program enters the DAS. During the Concept and Technology Development phase, the user analyzes a range of possible materiel solutions (alternatives) and the initial ORD defines the operational performance parameters needed to satisfy the mission need for each of these alternatives. These parameters reflect capabilities such as range, speed, probability of kill, platform survivability, weight, etc., and are described in terms of objectives (what is desired) and thresholds (what will be accepted). The ORD also addresses considerations that help shape the schedule parameters for the program. Figure 4-16 shows the required format and content of an ORD.[15]

OPERATIONAL REQUIREMENTS DOCUMENT FOR
PROGRAM TITLE
ACAT____
Prepared for Milestone __ Decision

1. **General Description of Operational Capability.** Similar to Capstone Requirements Document (CRD).

2. **Threat.** Similar to CRD.

3. **Shortcomings of Existing Systems.** Similar to CRD.

4. **Capabilities Required.** Similar to CRD - identify the capabilities and characteristics of the proposed system. Identify and prioritize specific requirements contributing most significantly to the desired operational capability (KPPs).

   a. **System Performance.** Describe mission scenarios and identify system performance parameters such as range, accuracy, payload, speed, mission reliability, interoperability, etc.

   b. **Information Exchange Requirements.** Identify the top-level, essential interface requirements for information exchange needed for each mission area the the system is proposed to support.

   c. **Logistics and Readiness.** Identify combat support requirements: battle damage repair capability, mobility requirements, expected maintenance levels, etc.

   d. **Other System Characteristics.** Define other characteristics that tend to drive design, cost, and risk: NBC survivability, defense against electronic attack, environmental factors (climate/terrain), etc.

5. **Program Support.** Similar to CRD.

6. **Force Structure.** Estimate number of systems or subsystems needed, including spares/training units.

7. **Schedule.** Define what actions, when completed, constitute attainment of initial & full operational capability.

8. **Program Affordability.** Program cost should be stated in terms of threshold and objective. Cost will be extracted from the ORD and included in cost section of the acquisition program baseline.

Figure 4-16. Operational Requirements Document

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[15] Ibid., Appendix A to Enclosure E.

Key Performance Parameters (KPPs)

KPPs are those performance parameters established in the ORD the user considers most essential for successful mission accomplishment. The JROC validates KPPs for ACAT I and ACAT IA programs and the MDA has final approval. The KPPs become part of the Acquisition Program Baseline, are described in terms of thresholds and objectives, and must include cost as an independent variable. Failure to meet a KPP threshold can cause the MDA to reevaluate or even terminate the program. KPPs validated by the JROC may not be traded off without JROC approval. The following guidelines are applied when selecting KPPs:

- Is it essential for defining system or required capabilities?

- Is it oriented to the warfighter?

- Is it a stand-alone system or is it interoperable in a joint environment?

- Can it be measured?

- Is it achievable?

- Can the numbers or percentages be explained by analysis?

- If not met, are you willing to cancel the program?

Cost as an Independent Variable (CAIV)

In an environment of fiscal constraints, the cost aspect of an acquisition program has become very significant. In the past, there was little incentive to trade performance in order to stay within cost constraints; cost was allowed to increase to maintain performance. The concept of CAIV places more emphasis on stabilizing the cost of acquisition programs. The PM's acquisition strategy must isolate cost and justify the cost stream presented as the best and most affordable for fielding the system. Like the KPPs, costs are described in terms of thresholds and objectives, and must include complete life-cycle expenditures, i.e., what it costs to develop, produce, operate, maintain, and dispose of the system at the end of its service life.

Thresholds and Objectives

Thresholds and objectives express the goals established for an acquisition program. In preparation for Milestone B, the PM proposes objectives and thresholds for performance, cost, and schedule that will result in a system that is affordable, operationally effective, survivable, and achieves operational capability in a timely manner. These goals are approved by the MDA. The PM refines these objectives and thresholds as the program matures.

- The threshold value is the minimum acceptable value that, in the user's judgment, is necessary to satisfy the mission need. If threshold values are not achieved, performance is seriously degraded, the program may be too costly, or the program may not be operationally capable in a timely manner.

- The objective value is that desired by the user and that which the PM is attempting to achieve. The objective value is usually beyond the threshold value and represents a meaningful improvement in performance, cost, or timeliness.

- The PM can make adjustments in cost, performance, and schedule in the trade space between the threshold and objective values without approval of the MDA. Cost-performance-schedule trade-offs outside the trade space require approval of the MDA and the ORD approval authority.

Acquisition Program Baseline (APB)

The APB is a document that contains the thresholds and objectives for the most important cost, schedule, and performance parameters of an acquisition program. Using an ACAT ID program as an example – in preparation for Milestone B (program initiation), the PM prepares the APB in coordination with the user. The PM then submits the APB to the Milestone Decision Authority (USD (AT&L)) for approval via the Program Executive Officer and Component Acquisition Executive. The USD (AT&L) approves the APB after the concurrence of the USD (Comptroller) and the JROC.

A lot of effort goes into the development of the APB because it is critical to the management of acquisition programs. At each milestone decision point, the APB is reviewed to ensure the program continues to satisfy the mission need. As the program progresses through the DAS, changes in the threat, technological innovation, decreased funding, etc., may require adjustments to the thresholds and objectives. If any of the established thresholds are not met, the PM must file a deviation report that could trigger an unscheduled DAB review.

Acquisition Strategy

An acquisition strategy serves as a roadmap for program execution and is tailored to meet the specific needs of individual programs. A primary goal of the acquisition strategy is to minimize the time and cost of satisfying a mission need. The PM develops the acquisition strategy at program start, and after concurrence from the appropriate officials in the acquisition chain of command, the MDA gives final approval. The acquisition strategy evolves through an iterative process and becomes increasingly more definitive as the program progresses through the acquisition phases. Certain factors, or essential elements, are considered at each milestone for every program in the acquisition process. Some of these factors include: sources of supplies and services; risk management; cost management; contract management; joint program management; and environmental, health, and safety requirements. In addition, the PM establishes exit criteria that help the MDA assess the progress of the program.

Analysis of Alternatives (AoA)

Normally, before a program is initiated, the lead DoD component conducts concept studies to explore a range of potential solutions to the mission need. AoAs evaluate the cost and operational effectiveness of the different alternatives, and show the sensitivity of each alternative to changes in key assumptions (e.g., threat) or variables (e.g., selected performance capabilities). As the program matures, the need for further AoAs becomes less likely. In the event of significant changes in the

program or circumstances (e.g., threat, alliances, operating area, technology, etc.), the MDA may direct updates to the analysis for subsequent milestone decision points.

Acquisition Decision Memorandum (ADM)

The ADM documents the decisions made by the MDA as the result of a milestone review, authorizing a program to enter the next acquisition phase. Included in the ADM is the approval of the program's acquisition strategy and Acquisition Program Baseline (APB). It also approves the program's exit criteria for the next phase.

Test and Evaluation Master Plan (TEMP)

The TEMP provides the overall structure, major elements, and objectives of the test and evaluation of an acquisition program. It provides a roadmap for the integration of simulation, test, and evaluation plans; schedules; and resource requirements necessary to accomplish the overall test and evaluation program. PMs prepare TEMPs for all ACAT I, ACAT IA, and other designated programs. The Director of Operational Test and Evaluation and the Director of Test, Systems Engineering, and Evaluation approve TEMPs.

Selective Acquisition Report (SAR)

SARs summarize the latest estimates of cost, schedule, and technical status. These reports are prepared annually in conjunction with the President's budget and submitted to Congress. Subsequent quarterly exception reports are required only for those programs experiencing unit cost increases of at least 15 percent or schedule delays of at least six months. Quarterly SARs are also submitted for initial reports, final reports, and for programs that are rebaselined at major milestone decisions.

Plug-in

With your knowledge of the JSPS and the acquisition process, which includes the PPBS, you should be developing an understanding of the interaction among components of the resource allocation process. Figure 4-17 once again illustrates this interaction.
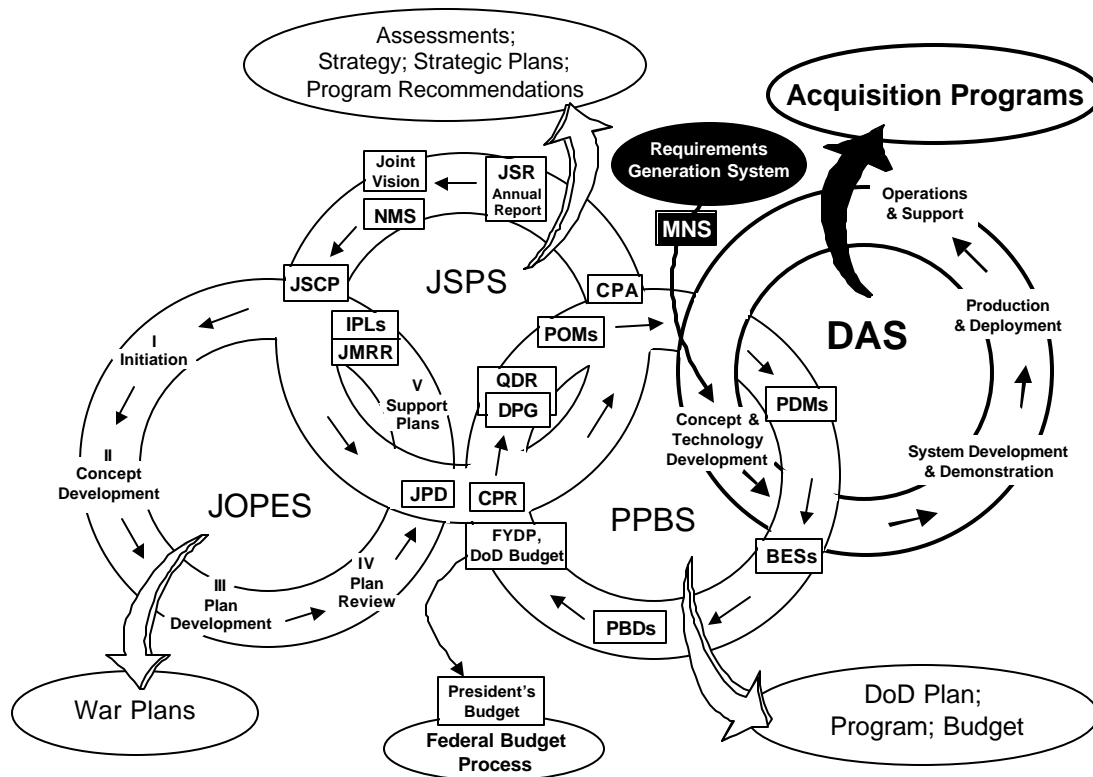
Figure 4-17. Defense Planning Interrelationships

BESs:	**Budget Submission Estimates**	**JSCP**:	**Joint Strategic Capabilities Plan**
CPA:	**Chairman's Program Assessment**	**JSPS**:	**Joint Strategic Planning System**
CPR:	**Chairman's Program Recommendation**	**JSR**:	**Joint Strategy Review**
DAS:	**Defense Acquisition System**	**MNS**:	**Mission Need Statement**
DoD:	**Department of Defense**	**NMS**:	**National Military Strategy**
DPG:	**Defense Planning Guidance**	**PBDs**:	**Program Budget Decisions**
FYDP:	**Future-Years Defense Program**	**PDMs**:	**Program Decision Memoranda**
IPLs:	**Integrated Priority Lists**	**POMs**:	**Program Objective Memoranda**
JMRR:	**Joint Monthly Readiness Report**	**PPBS**:	**Planning, Programming, & Budgeting System**
JOPES:	**Joint Operation Planning & Execution System**	**QDR**:	**Quadrennial defense Review**
JPD:	**Joint Planning Document**	**RGS**:	**Requirements Generation System**

The essence of this complex and highly interactive process can be summarized as follows:

- The JSPS provides the strategic background for determining requirements.

- The RGS defines, documents, validates, and approves the requirements.

- The PPBS performs the programming and budgeting for the requirements.

- The federal budget process authorizes and appropriates the money to buy the systems that meet the requirements. (You will learn more about the federal budget process in Chapter 5.)

- The DAS turns requirements and technological opportunities into operational capabilities.

- The JOPES develops the plans to employ these capabilities and, in the process, identifies the requirement shortfalls.

If the resource allocation process works as advertised, then all of this combines to produce the right force, properly equipped to execute our national military strategy.

Many aspects of the resource allocation process are calendar driven. Most of this stems from the schedule followed by the federal budget process. The annual budget cycle affects the timing of most of the documents and events in the PPBS that in turn affect the timing of some of the documents and events in the JSPS and JOPES. While closely linked to the other components of the resource allocation process and dependent on the funding that results from the interaction between the PPBS and federal budget process, the acquisition process proceeds in phases, each of which may require only a part of a budget cycle or several full cycles. Gearing the acquisition phases to the particular business and technical aspects of the acquisition program ensures that adequate reviews are conducted prior to significant commitment of resources. The PPBS, rather than being oriented to the needs of a specific acquisition program, is keyed to the larger problem of balancing all programs within the fiscal limits established for a particular fiscal year. This dynamic has been described as follows:

> These systems are often portrayed as intersecting like three interlocked circles in a Venn diagram. In reality they do not intersect at all; they collide. These systems clash because they are driven by wholly different and potentially incompatible forces. The requirements process involves a threat and technological opportunity. PPBS is based on both time—the federal budget calendar review cycle—and resource allocation. The [defense acquisition system] is based on milestones and approvals subject to progress, real or supposed.

> The paradox is that these otherwise incompatible systems must work together for reasons, which become equally clear when one examines their intended outcomes. The requirements process helps determine what we will buy and why. PPBS governs how much or how many we will produce. Finally, acquisition management shapes how we will actually develop these capabilities.[16]

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[16] Linda S. Brandt and Francis W. A'Hearn, "The Sisyphus Paradox: Framing the Acquisition Reform Debate," *Joint Forces Quarterly*, Summer 1997, pp. 36-37 (http://www.dtic.mil/doctrine/jel/jfq_pubs/0916pgs.pdf).

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Chairman of the Joint Chiefs of Staff. *Requirements Generation System*. CJCSI 3170.01B. Washington, DC: 15 April 2001. http://www.dtic.mil/doctrine/jel/cjcsd/cjcsi/ 3170_01b.pdf.

> This CJCS Instruction establishes policies and procedures for developing, reviewing, validating, and approving Mission Need Statements, Operational Requirements Documents, and Capstone Requirements Documents called for by DoD directives and regulations. It also provides guidelines for the conduct of program and milestone reviews for Major Defense Acquisition Programs prior to the programs being forwarded for Defense Acquisition Board review.

Chairman of the Joint Chiefs of Staff. *Charter of the Joint Requirements Oversight Council*. CJCSI 5123.01A. Washington, DC: 8 March 2001. http://www.dtic.mil/doctrine/jel/ cjcsd/cjcsi/5123_01a.pdf.

> This instruction establishes the Joint Requirements Oversight Council (JROC) as an advisory council to the Chairman of the Joint Chiefs of Staff. It delineates JROC composition and responsibilities and further defines the JROC role in the requirements and acquisition process.

CJCS. *Joint Vision Implementation Master Plan*. CJCSI 3010.02A. Washington DC: 15 April 2001. http://www.dtic.mil/doctrine/jel/cjcsd/cjcsi/3010_02a.pdf.

> This instruction provides joint policy and guidance for implementation of the Chairman of the Joint Chiefs of Staff's long-range vision document, *Joint Vision 2020*, and subsequent Joint Vision documents.

Cohen, William S. *Defense Reform Initiative: The Business Strategy for Defense in the 21st Century*. Washington, DC: Office of the Secretary of Defense, November 1997. *http://www.defenselink.mil/pubs/dodreform*.

> This document outlines the strategy formulated by the Department of Defense to achieve fundamental reform to the Department's organization, infrastructure, legal and regulatory structure, and business practices.

Defense Acquisition Deskbook. An automated reference tool that provides acquisition information for all DoD components across all functional disciplines. Information regarding the Deskbook is available on the Internet: http://web2.deskbook.osd.mil.

Department of Defense. *The Defense Acquisition System*, DoDD 5000.1 CH-1. Washington, DC: 4 January 2001. http://web2.deskbook.osd.mil, click on DoDD 5001.1link.

> This DoD Directive states the policies and principles for all DoD acquisition programs and identifies the Department's key acquisition officials and forums.

Department of Defense, *Operation of the Defense Acquisition System*, DoDI 5000.2. Washington, DC: 4 January 2001. http://web2.deskbook.osd.mil, click on DODI 5000.2.

This DoD Instruction implements DoDD 5000.1 by establishing the management framework for translating mission needs and technological opportunities into acquisition programs.

Department of Defense. *Mandatory Procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Acquisition Programs (Interim)*. DoD Regulation 5000.2-R. Washington, DC: 10 June 2001. http://web2.deskbook.osd.mil/, click on DODI 5000.2-R .

This DoD Regulation implements DoDI 5000.2 by establishing mandatory procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Programs. It also serves as a general model for other than MDAP and MAIS acquisition programs.

Ferrara, Joe. "DoD's 5000 Documents: Evolution and Change in Defense Acquisition Policy," *Acquisition Review Quarterly*, Fall 1996, pp. 109-130. http://www.dsmc. dsm.mil/pubs/arq/94arq/ferrar.pdf.

This article provides a good historical analysis of acquisition reform.

How the Army Runs: A Senior Leader Reference Handbook (2001-2002). Carlisle Barracks, PA: U.S. Army War College, 15 May 2001. http://carlisle-www.army.mil/usawc/dclm, click on "How the Army Runs" link.

This handbook (also known as the "Green Book") is used to support the curriculum at the Army War College. It explains the relationship of numerous DoD, Joint, and U.S. Army planning systems and processes that determine the allocation of defense resources.

Chapter 5
The Federal Budget

Purpose

The federal budget represents the desires of the people's elected representatives concerning raising and spending money. The government must raise revenue to effect this process, and does so in three ways: by its taxation, by "making money" through its own operations, and by borrowing. While it is arguable that human desires are unlimited, the government's funds are not. Opinions and positions about issues facing the nation, however strongly expressed, become more concrete through the allocation of money. The federal budget, then, becomes the most powerful and accurate description of our national goals and priorities. In addition, it is an instrument of national policy, an attempt to influence behavior, and the record of a process that is participatory, political, and grounded in the art and science of negotiation. When enacted by Congress and signed by the President, the budget becomes law and is binding on all federal agencies. It is the mechanism that defines our preferences and desires and which, we hope, will bring about a better life for our citizens.

Past

The Constitution is the source of government authority, and is both general and direct with regard to the allocation of government resources, particularly those concerning defense:

Article I, Section 7: All Bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments as on other Bills.

Article I, Section 8: The Congress shall have Power to lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defense and general Welfare of the United States. . .

To borrow money on the credit of the United States.

To raise and support Armies, but no Appropriation of Money to that Use shall be for a longer Term than two Years.

To provide and maintain a Navy;

To make Rules for the Government and Regulation of the land and naval forces;

To provide for calling forth the Militia to execute the Laws of the Union, suppress Insurrections, and repel Invasions;

To provide for organizing, arming, and disciplining, the Militia, and for governing such parts of them as may be employed in the service of the United States, reserving to the States respectively, the Appointment of the Officers, and the authority of training the Militia according to the discipline prescribed by Congress.

To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, . . .

Article I, Section 9: No money shall be drawn from the Treasury, but in consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.

Amendment XVI: The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several states, and without regard to any census or enumeration.

The process by which Congress enacts the federal budget has changed dramatically since the Constitution was adopted, even while the most common concerns of the people regarding the budget have remained remarkably constant. The news about the budget in the last twenty years has been rife with the same arguments about deficits and surpluses as those that vexed citizens since before the Revolution. For that matter, money and finance were part of the genesis of the nation: "The absence of effective financial powers during the Revolutionary War and under the Articles of Confederation was a major reason for the convention of 1787 that framed the Constitution."[1]

But as much as the people desired and needed a national financial system, there was a deep and abiding mistrust of debts, deficits and surpluses, even though the country needed substantial borrowing early on. (From 1789 through 1797, the interest on the debt was *50%* of all federal expenditures). Religious leaders were among the most virulent critics of debts from the late 18th century to the beginning of the Civil War; their comments are indicative of strong feelings. The Rev. Samuel Wales in the 1780s: ". . . refusal to pay just public debts was equated to taking property without the consent of the owner."[2] The Rev. Joseph Huntington, concerned about the fact that the United States borrowed from potential enemies: ". . . God will be on the side of the foreigners as they resort to arms to collect their debts."[3] President Jackson declared debts ". . . not merely a misfortune, but also evil and immoral;" he also railed against ". . . unnecessary accumulation of public revenue."[4] In 1832, William Beach Lawrence perhaps stated first this oft-heard refrain: "The same rules that regulate the economy of families may be extended to the management of states."[5] In short, the origin of the contemporary concern for properly-balanced budgets is old, and rooted in

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[1] Lewis Henry Kimmel, *The Federal Budget and Fiscal Policy, 1789-1958*, (Washington DC: Brookings Institution, 1959), p. 2.

[2] Kimmel, p. 11

[3] Kimmel, p. 11

[4] Kimmel, p. 21

[5] Kimmel, p. 50

the belief that such practices overly burdened the working classes, redistributed assets to the wealthy, and diverted resources from more productive purposes.

The contemporary system evolved through acts of Congress, each of which contained varying degrees of emphasis on policy and process.

Anti-Deficiency Act of 1870

This act was the first significant attempt to exercise Congressional control over the appropriations process. It was common practice for government agencies of the time to obligate more money than had been appropriated to them, and then submit "coercive deficiency" requests to make Congress pay their bills. The act made a law that prevented any agency from making expenditures during a fiscal year, or future years, that exceeded the appropriations provided by Congress.

Budget and Accounting Act of 1921

Prior to 1921, the President had little to do with the preparation of the budget; his responsibility was to execute the laws Congress enacted. The Secretary of the Treasury was the agent who acted to start and end the budget process. He gathered estimates from the executive agencies and departments, delivered them to Congress for action, returned with the results, and executed the budget. Nowhere was the budget viewed in its entirety. Congress took three actions: To solve the problem of coordinating the process, Congress legislated the requirement that the President present a budget to the Congress. To aid in the coordination of that effort, Congress authorized the Bureau of the Budget (now the Office of Management and Budget), to assist the President in the final stage of the formulation of the budget. To support the enactment and execution phases of the process, Congress created the General Accounting Office to allow an oversight function available to the legislative branch.

OMB is the office through which every budget proposal must pass and is regarded as one of the most valuable and influential of the Presidential staffs.

Congressional Budget and Impoundment Control (CBIC) Act of 1974

The process by which Congress now considers the budget each year is based, with subsequent modifications, on the CBIC Act. Several problems generated by the vast increase in the size and complexity of the budget began to make the entire experience difficult, contentious, inefficient, and almost always late.

Prior to 1976 the fiscal year ran from 1 July to 30 June. Congress convenes in January and receives the President's budget in early February, leaving only about five months to enact authorizations, appropriations and revenue bills. The logjam was enormous, confusing, and uncoordinated. The reform measure moved the start of the fiscal year to 1 October, adding three months to the process. In addition, Congress made internal rules (not laws) that established deadlines for each of the major budget actions.

The President had tools available, through OMB, to gain a perspective on the entire budget, as well as the policy decisions and economic assumptions that support his submission. In Congress,

the President's proposal was immediately distributed by function to committees and subcommittees, each of which focused only on their piece of the project. There was no "policy view" of the budget, and thus no reason for committees to pay much attention to work outside their own jurisdiction. Cooperation was nearly impossible. To make a new starting point, Congress created Budget Committees in each chamber to produce a resolution (not a law) that encompassed spending, revenue, borrowing, and economic goals, all of which contribute to the creation of monetary limits for the discretionary authorization and appropriations bills. In addition, the creation of the Congressional Budget Office gave Congress an analytical staff to support the generation of economic assumptions, and thus predictions of future budgets, in the same fashion as the executive branch.

It has long been accepted that for certain technical reasons, the President can refuse to spend money that Congress has appropriated; such an action is called an impoundment. During the Nixon administration, Congress felt that the practice was becoming too common, but there was no formal method for review of the President's actions, particularly as those actions affected policy as well as appropriations. Congress tightened the reins on this issue significantly under CBIC. (See "Process," below).

Gramm-Rudman-Hollings (GRH) Act of 1985

By 1985 the size of the deficit had become a national issue. In response, and under pressure, Congress passed – as an amendment to a largely unrelated piece of legislation, without hearings – the Balanced Budget and Emergency Deficit Control Act of 1985, otherwise known as the Gramm-Rudman-Hollings Act (GRH). GRH was specifically designed to reduce the deficit (but not the debt) to zero by 1991, by setting maximum deficit amounts each year. Congress later revised the targets.

GRH revised the Congressional Budget Process as well. Most notably, the budget and appropriation processes were accelerated and compressed. New rules for budget debate included "out of order" rulings for introducing legislation that increased budget authority or the deficit, or proposing bills without new taxation or spending cuts. The House could not recess more than three days in July unless all regular appropriation bills were passed.

The act established "sequestration," a requirement for automatic spending cuts, triggered when either appropriations exceed the deficit target, or projected revenues are reduced by an economic decline. If the President and Congress could not agree on a solution to the sequestration, the amount of the cuts was based on a joint CBO and OMB report audited by the Government Accounting Office (GAO). Cuts were to be divided equally between defense and non-defense programs.

Certain entitlement programs were protected from sequestration, including Social Security, Medicare, Federal Retirement (but not the cost of living increases, which were vulnerable), Veteran's Administration Benefits, Food Stamps, Child Nutrition, and Aid to Families with Dependent Children. Congress subsequently added closing or reducing the size of military bases to the list of exceptions.

In 1987 and 1989, the President and Congress, as part of two "budget summit agreements" set caps on total appropriations. These agreements, referred to as "contractual" because no law was passed, afforded the opportunity to gain experience with limits on spending. The result was further efforts to formalize the summit agreements.

The Budget Enforcement Act (BEA) of 1990

The combination of the 1987 and 1989 agreements and the perception that GRH proved itself ineffective in bringing the deficit under control produced action. (Congress realized that placing limits on a *deficit* is not the way to control *spending*).

The budget was divided into two categories: discretionary programs, and direct spending and receipts. For fiscal years (FY) 91-95, the BEA set spending caps for these two broad categories, with the requirement that all discretionary spending remain within the targets and that direct spending be paid for by either cuts within that category or an increase in receipts. This control mechanism was referred to as the "pay-as-you-go" requirement, or PAYGO as it is commonly known. The same sequester used in GRH is the enforcement mechanism that is used to maintain the discipline in this law. The new twist was in how the sequester was used: under the BEA provisions, a sequester was targeted only at the category which violated the budget cap.

The discretionary programs were further divided into three subcategories for FY 91-93. Defense, international, and domestic programs were each given specific spending caps for those three years. Any violation of the BEA limits forced a sequester only in that subcategory during those years. For FY 94-95, only the two broad categories were considered in the sequestration formula.

Additional changes to the process enacted in 1993 removed the subcategories of discretionary spending (which means that defense cuts could then be used to offset other discretionary increases), and essentially froze total discretionary spending for five years at FY 93 levels.

The Balanced Budget Act (BBA) of 1997

The most recent budget act, BBA-97 was a conglomeration of bills that addressed everything from food stamps to taxes on cigarette papers. Its effects on the budget process were to extend the PAYGO processes through 2002. In addition, the law split the caps into three categories for 1998 and 1999: defense, non-defense, and violent crime. For 2000, 2001 and 2002, the categories are collapsed into a single, total discretionary "pot" which removes the so-called "firewalls" that separate those three categories.

The specific implications for the defense budget in the next few years, especially after the entire discretionary portion of the budget becomes a single category, remain to be seen. Emerging roles and missions, and the evolution of the war against terror will obviously influence the debate.

The underlying problem, of course, is claimants for funds want more than what's available, and discipline is needed to balance the two.

Process

The laws that enact the Congressional budget are subject to the same process as all other laws. Before examining the specifics of the DOD budget, let's look at how laws are made.

The Legislative Process

Sources and Introduction of Legislation

One need not be member of Congress to *draft* a piece of legislation; sources of such proposals are unlimited. Citizens, singly or in groups, as provided for in the First Amendment, may submit legislation. State legislatures may submit legislation by passing resolutions and forwarding them to Congress as *memorials*. The most common origins are from Congressmen themselves or through *executive communication*. The President may forward to the Congress proposals developed by his staff, agencies or departments. The President's budget is one of those proposals.

Only members of Congress, however, may *introduce* legislation by preparing a document in the proper format, signing it, and submitting it. (In the House this is accomplished simply by placing the legislation in a wooden box—known as the hopper—located next to the rostrum in the House Chamber). Through this introduction, a Congressman becomes the *sponsor* of the legislation; other members may join as co-sponsors of the proposal. Such action is often an early indication of how much support a piece of legislation has, as well as a way for members to express and make public a preference to their constituents about a particular issue. We will trace a bill that originates in the House and then moves to the Senate. In practice, most bills are introduced as similar pieces of legislation in each House.

Types of Legislation

Introduced proposals are submitted in one of four forms: A *bill* is legislation introduced in either the House or the Senate, intended to become a law. Bills that raise revenue are exceptions; they must originate in the House in accordance with Article I, Section 7 of the Constitution. By tradition, the House originates appropriation bills. Bills are designated by chamber—H. R. for the House and S. for the Senate—followed by a number.

A *joint resolution* is similar to a bill; it has the force of law if passed by both Houses and signed by the President. An exception is that amendments to the Constitution are passed by joint resolution, but not submitted to the President. Instead, they are delivered to the Archivist of the United States for delivery to the state legislatures. Abbreviations are H. J. Res. and S. J. Res.

A *concurrent resolution* is legislation that affects the operations of both Houses, or expresses the position of the Congress; it does not have the force of law. An example is the Concurrent Budget Resolution. "Concurrent" does not imply or require simultaneous drafting, introduction, consideration, action or reporting of the resolution. Abbreviations are H. Con. Res. and S. Con. Res.

A *simple resolution* is one considered by only one house, and, again, does not have the force of law. If adopted, simple resolutions are published in the Congressional Record. An example

is the resolution each House adopts at the start of each Congress that establishes committees and appoints members to serve on them.

Referral to Committee and Committee Action

After introduction, the Speaker of the House refers the legislation to the standing committee that exercises *jurisdiction* over the bill, using one of over 200 categories of subject matter under which a bill can be classified. Many committees have rules that direct the bill to the appropriate sub-committee. For the vast majority of bills, committees and sub-committees provide the most concentrated examination of a bill, an effort that is aided by personal staff, committee staff, the GAO and CBO, and through testimony and hearings. Majority and minority members may call witnesses, and the members may vote to issue subpoenas.

When hearings and testimony are complete, the committee or subcommittee proceeds to a *markup* session, in which language and numbers are made final. After final expressions of preference from the members, the committee votes, and may as a result *report* the bill favorably to the full committee or to the chamber concerned (with or without amendments), report the bill unfavorably, or report the bill without recommendation—the latter two options are rare. The more common option if the bill is not reported favorably is to *table* the bill, which means the bill is postponed indefinitely, effectively ending consideration of the measure, until it can be re-introduced at the start of a new Congress.

Committee Reports

After a committee reports a bill favorably to the House, a staff member, under the direction of a committee member, writes a document called the *committee report*. The report sets forth the purpose and scope of the bill with a section-by-section analysis, indications of laws changed or repealed by the bill, and economic effects of the action. The purpose of the committee report is to make clear the intent of the committee by specifically citing the situations or conditions that that gave rise to the bill, and the actions the Congress believes will rectify or improve the situation. When a report is filed, it is assigned a calendar number so that it and the bill itself are taken up in turn by the entire House.

Calendars, Consideration, and Debate

The House has five calendars of business (schedules), two of which are most commonly used: The Union Calendar and the House Calendar. The former is used to consider bills that raise revenue, provide general appropriations, and bills of a public character that directly or indirectly appropriate money or property. Almost all other bills go to the House Calendar. Matters before the Union Calendar are considered by the House sitting as a Committee of the Whole, as opposed to the House itself. The difference is the set of rules under which each of these configurations operates.

The Committee on Rules may adopt a rule (an example of a simple resolution) that allows an immediate consideration of a measure by the Committee of the Whole. The Speaker then declares the House resolved into the Committee of the Whole; that action allows a more expeditious consideration of bills. Among other considerations, the quorum requirement is reduced to 100 instead of 218, and debate time is limited. The Speaker of the House steps down and is replaced by

the Chairman of the committee that reported the bill, who conducts the first reading of the bill, and allows debate. The second reading of the bill takes place after the debate is closed; and is done section by section so that amendments may be offered after each section is read. Amendments are voted upon after five minutes of debate, in most cases. Each amendment is then put to the Committee of the Whole for adoption. At the conclusion of the consideration of amendments the Committee of the Whole "rises" and reports the bill to the House, as adopted, and the Committee reverts back to the House to consider the bill.

Action

If the Committee of the Whole adopted a special rule that came into effect when the Committee rose, then there is no further debate in the House, and the body votes on the amendments, individually or *en bloc*, and then votes on the bill. When the House itself debates a measure before it, time is limited either by a rule attached to that specific measure, or by the "hour rule," which allows each member 60 minutes in debate. Debate ceases when a member moves and the majority of the House orders "the previous question" (that is, the bill under consideration). There are three methods of voting used in committees and in the House. A *voice vote* invites "Ayes" and "Noes" as appropriate and the presiding member relies on volume to determine the outcome. The Chair may ask for, or a member may demand, a *division;* those in favor stand and are counted, followed by those opposed. If a member requests a recorded vote, such request must be supported by at least one-fifth of a quorum in the House, or by twenty-five members of the Committee of the Whole. If the bill is approved, it is first *engrossed*, that is, carefully prepared by a clerk, with all amendments correctly entered, printed, and delivered to the Senate.

Senate Procedure

As in the House, the bill (now properly called an *act*, as it has been acted upon by one House) is referred to the appropriate standing committee. Similar procedures apply with regard to subcommittee assignment, amendments and calendars. There are only two in the Senate: The Calendar of Business, which schedules all legislation, and the Executive Calendar, which considers only treaties and nominations (those cases under the Constitution in which the Senate must provide its "advice and consent" to the President). The Senate may consider any bill reported by a standing committee whose committee report has been distributed for at least two working days.

Most often, measures are considered through either a call on the Calendar or through unanimous consent procedure. A measure on the Calendar may be called up on a motion, and approved by simple majority. Such motions are debatable, and usually used only if the motion to use unanimous consent procedures was not approved. The unanimous consent procedure limits debate, time for consideration, amendments to the bill, and debatable motions relating to the bill. If the Senate is acting under conditions other than unanimous consent, a member is allowed to speak from the time of recognition by the presiding officer until the Senator yields. Extreme examples of this opportunity are called *filibusters*. The Senate can stop filibusters by invoking *cloture*, if sixteen members sign a motion that is subsequently approved by three-fifths of the members. Senate bills may be amended by individual members or by the committee that reported the bill, and are voted on

individually. After all amendments are disposed of, the question is called for passage of the bill, and the bill is enacted or rejected on a simple majority vote.

Conference Committees, Reports, and Delivery

If a bill is transmitted from one body to another, and returned with differences, the two Houses exchange messages and requests for agreement. If those do not settle the issues, the originating body requests a conference. Both Houses then assign members to the Conference Committee, in any number they see fit. All official papers are delivered and the committee begins work. Although called a committee, the group is actually two bodies, acting and voting independently. When the committee reaches an agreement in every aspect of the act, the act is returned to each House for approval. Just as the two Houses' committees issue a committee report, so does the Conference Committee.

When finally approved by both Houses, the bill is *enrolled* (which originally meant "written on parchment") and delivered first to the Speaker of the House for signature, then to the Vice President for signature. Delivery to the President is conducted by the Chairman of the Committee on House Oversight.

Presidential Action

The President has ten days to act on bill or to veto it. If neither action is taken in ten days, the bill becomes law without the President's signature. If the ten-day period extends beyond the date of the final adjournment of Congress, and the President does not sign the bill, the bill fails to become law, under what has come to be known as a *pocket veto.*

The Federal Budget Process

The federal budget process encompasses all the steps from the development of budgets at the lowest levels of agencies and departments, and has four phases.

- Formulation. Builds a budget proposal from the first preparations of the OMB to the submission of the President's Budget to Congress.

- Enactment. Modifies or approves the President's budget proposal.

- Execution. Spends funds to carry out programs approved in the budget and executes budget-related laws.

- Review and Audit. Audits agencies for proper spending procedures and for compliance with the law.

The Executive Branch controls the first and third phases; Congress conducts the second phase, (which will receive most of our attention), and the fourth phase is conducted by the agencies and departments of the government and by the GAO.

Phase 1: Budget Formulation - Executive Preparations & Submission

Figure 5-1 depicts the timetable for the formulation phase.

Time	Action
April - June	OMB conducts Spring planning review to establish Presidential policy for the upcoming budget.
June	OMB sends policy letters to the agencies.
September 1	Smaller agencies submit initial budget request materials.
September 15	Cabinet departments and major agencies submit initial budget request materials.
October 15	Legislative Branch, Judiciary, and certain agencies submit initial budget request materials.
September - January	OMB & the President review agency budget requests and prepare the budget documents.
1st Mon in Jan - 1st Mon in Feb	The President transmits the budget to Congress.

Figure 5-1. Formulation Phase Timetable

From *A Glossary of Terms Used in the Federal Budget Process*:

Preparing the President's Budget starts many months before it is submitted to Congress, which must occur no later than the first Monday in February. Formulation begins at the agency level, where individual organizational units review current operations, program objectives, and future plans in relation to the upcoming budget. Throughout this preparation period, there is a continuous exchange of information among the various federal agencies, OMB, and the President. Agency officials receive help in the form of revenue estimates and economic outlook projections from the Treasury Department, the Council of Economic Advisers, the Departments of Commerce and Labor, and the OMB. [6]

Economic Assumptions

Assumptions allow simplification of difficult problems. In budget planning, assumptions allow the process to proceed without the ability to *know* what the economy will do in the future, but with a reasonable perception of what will most probably happen. The formulation of budgets requires the examination and extrapolation of many factors, in the same way as a family budget. Predictions concerning levels of inflation, unemployment rates, expected revenues, and growth in the population eligible for entitlements are only a few of these influences.

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[6] U. S. General Accounting Office, *A Glossary of Terms Used in the Federal Budget Process*, (Washington DC: Government Accounting Office, 1981), p. 5.

According to the CBO, the federal budget changes in the following ways as the economy changes:[7]

- A reduction in real economic growth or an increase in the unemployment rate will lead to a decrease in revenues, an increase in outlays, and an increase in the deficit.

- An increase in inflation will lead to an increase in both revenues and outlays, but the effect on revenues will be greater than on outlays so that, on balance, an increase in inflation will lead to a smaller deficit.

- An increase in interest rates will lead to increases in revenues and outlays. In this case, however, the revenue effect is small, and the overall effect is to increase the deficit

Economic assumptions and predictions come from many sources. These include agencies and departments themselves, OMB, CBO, and the House and Senate Budget Committees. The same spending and tax proposals can produce projections in which, for instance, a prediction on the size of a deficit may differ by billions of dollars. Efforts to use a single source of economic assumptions have proven fruitless.

Of course, events don't always unfold as expected. In recent years, for example, DOD budgets have included assumptions about "savings" based on improvements in ways of doing business, and additional spending based on lower-than-expected costs for fuel. When both of these expectations failed to materialize, the services had to make up the difference.

The formulation phase ends when the President submits the budget to Congress.

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[7] Congressional Budget Office, *The Economic and Budget Outlook*, (Washington DC: 1982), p. 88.

Phase 2: Budget Enactment - The Congressional Budget Process

Figure 5-2 shows the timetable for the enactment phase of the federal budget process.

Time	Action
February / March	SecDef, CJCS, CINCs, and Service Chiefs Testimony
April 1	Senate & House Budget Committees complete work on the Concurrent Budget Resolution.
April 15	Deadline for passage of the Concurrent Budget Resolution.
June 10	Deadline for Report of 13 House Appropriations Bills.
June 15	Deadline for completion of reconciliation.
June 30	Deadline for passage of Appropriations Bills.
October 1	All appropriations enacted.

Figure 5-2. Enactment Phase Timetable

Figure 5-3 displays Committee actions in the enactment phase.
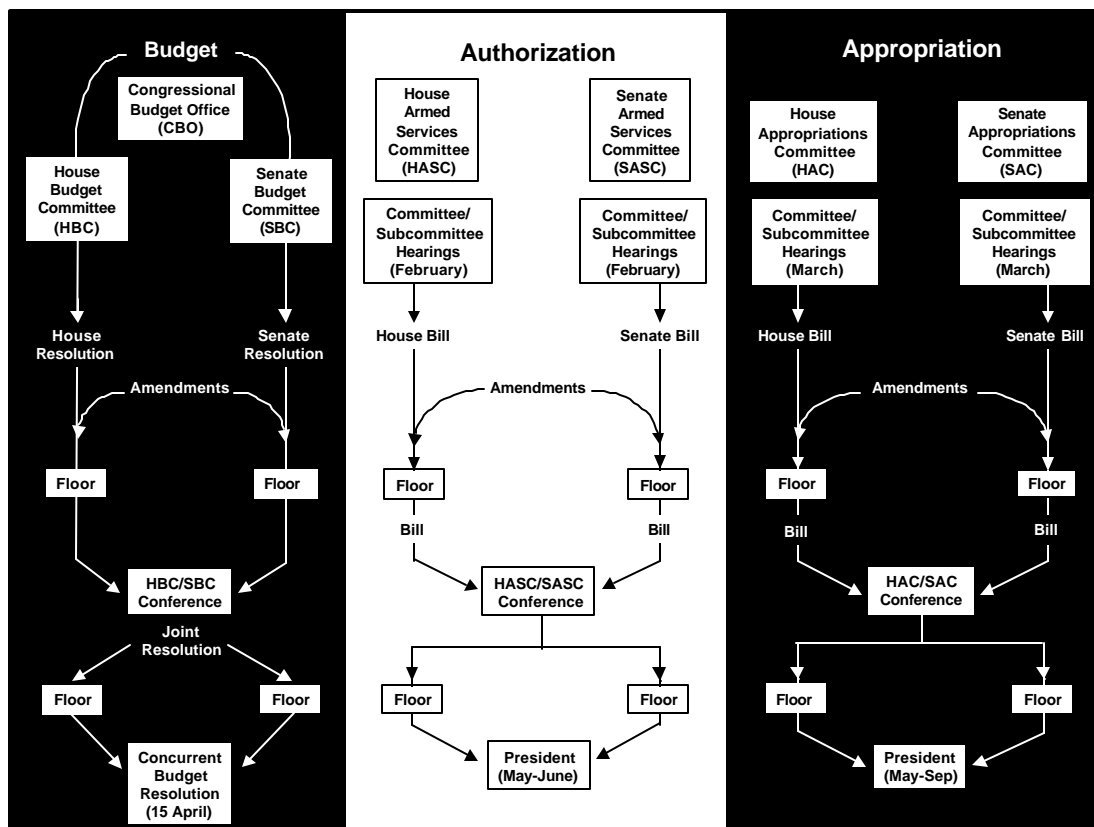
Figure 5-3. Enactment Phase

The Concurrent Budget Resolution, Authorization, and Appropriation

The first task in the enactment phase is the drafting, consideration, and reporting of the CBR. The CBR's stated purpose is to establish the total level of revenues and spending, and to set constraints on programs, functions and activities[8]. Next, the Senate Armed Services Committee (SASC) and the House Armed Services Committee (HASC) manage the creation and passage of the Defense Authorization Act. As we discussed earlier, Congress must, each year, authorize spending for specific military programs. Similarly, two Subcommittees of each chamber's Appropriations Committee (HAC and SAC), the Defense Subcommittee, and the Military Construction Subcommittee must recommend a specific level of appropriations for their area of the Defense Appropriations Act. The full committees and both Houses approved the Act and forwarded to the President for signature.

Authorization vs. Appropriation

The "proper" sequence in the enactment phase would be for all authorizations to precede all appropriations. In fact, since the committees concerned must do their work at the same time, and since any number of issues may delay, confound, or stop any committee's work, the process does not always work smoothly.

The reason for this dual requirement stems from the desire to separate policy decisions (authorizations) from fiscal decisions (appropriations). However, while not common, money is sometimes appropriated for various activities that were not specifically authorized. Conversely, another anomaly called "backdoor spending" refers to spending under an authorization, without the passage of an appropriation. While both of these activities occur, the fundamental process is as described: authorizations must be passed first, then appropriation bills passed, which give specific spending requirements.

A particularly confusing aspect of these two legislative requirements is that both authorizations and appropriations describe an activity in dollar terms, which would appear to be easily understandable, and in language that may require close reading and interpretation.

Here are two examples. The first is from the bills for FY 1997. In this case the Defense Authorization Bill addressing Research, Development, Testing, and Evaluation reads:

Sec. 201…Funds are hereby authorized to be appropriated for fiscal year 1997 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $4,737,581,000.

While the FY 97 Appropriation Bill for the same issue reads:

Research, Development, Test and Evaluation, Army:

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation

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[8] Do Congressmen take these constraints as seriously as framers of the budget process intended? Some observers say "no". See Stanley Collender, "Stick a fork in it", in the assigned readings.

of facilities and equipment, as authorized by law; $4,870,684,000, to remain available for obligation until September 30, 1997.

First, despite the fact that both seem to be providing funds, only the appropriation is doing so. The dollar figures in the authorization serve only as an upper limit on what can be spent. An appropriation is not *supposed* to exceed the authorization for the same program, though, as you can see in this example, that restriction is not always observed by the appropriators. When that happens, the general rule is that the appropriation will govern the actual spending amount, but particular care is exercised by the service liaison offices until the issue is made clear by the Congress. (In most cases, but not because of any law or rule of the Congress, the appropriation amount takes precedence.) Compounding the problem was the fact that the FY 97 Defense Appropriation Bill was passed *before* the FY 97 Defense Authorization Bill.

In another case, the FY 2000 Authorization Bill reads:

Sec. 603 … In addition to the amount determined by the Secretary of Defense under section 403(b)(3) of title 37, United States Code, to be the total amount that may be paid during fiscal year 2000 for the basic allowance for housing for military housing areas inside the United States, $225,000,000 of the amount authorized to be appropriated by section 421 for military personnel shall be used by the Secretary to further increase the total amount available for the basic allowance for housing for military housing areas inside the United States.

The Appropriations Bill Committee Report, under the heading Joint Explanatory Statement, Congressional Special Interest Items, read:

The conferees recommend an increase of $100,000,000 across the Active Military Personnel accounts for Basic Allowance for Housing (BAH) reform. The additional funds will allow the Department to complete the transition phase of BAH reform, as directed by the National Defense Authorization Act for Fiscal Year 2000.

The solution for this conflict was referred to legal staff at the OSD Comptroller's office, who determined that both pieces of legislation were binding. OSD and the services then had to produce $125,000,000 (the difference between the authorized and appropriated amounts) from their own budgets to satisfy both requirements.

Entitlements

An entitlement is a payment to an individual that has been authorized based on Congressionally specified eligibility criteria. Such criteria may be age, physical condition, veteran status, or any other condition set by law. Entitlements also require appropriations, but they are not specific on a year-to-year basis; the amounts are generated largely by projections of eligible populations. An entitlement constitutes a legally binding commitment on the federal government, and citizens may sue if funds are not appropriated. Examples of entitlements include Social Security, Medicare, and Military retirement pay.

Controllable vs. Uncontrollable Spending

Federal spending falls into two categories. "Discretionary" (or "controllable") spending will only occur in a given year if Congress and the President take action to cause it. "Mandatory" (or "uncontrollable") spending will occur each year unless Congress and the President take action to stop it[9].

Mandatory spending results from commitments that the Federal government made in previous years. It includes previously granted budget authority, entitlements, and "permanent appropriations", such as interest on the national debt.[10]

The phrase "uncontrollable" spending is a little misleading. Congress retains the power of the purse. It could make big cuts in so-called "uncontrollable" spending such as entitlements if it mustered the collective will to do so. However, entitlement programs typically enjoy strong support in the electorate, so Congress is extremely reluctant to change the laws that authorize these programs.

Reconciliation

Framers of the Congressional budget process envisioned a series of steps, call "Reconciliation", that would enable Congress to enforce the spending and tax priorities, and budget totals of the Concurrent Budget Resolution (CBR). Here's how the process they envisioned works.[11] First, although the CBR is not a law, its constraints may dictate changes in the law; authorization and appropriation committees must then draft and report laws that achieve the constraints of the CBR. The budget process schedule requires that the appropriations should be brought in line (i.e., reconciled) with the CBR by 30 June. If that event does not occur, a "no recess" period is imposed until the "must pass" date of 31 July. In any event, if the total funding in any appropriation bill exceeds the limit established in the CBR, it is to be ruled "out of order" and must be "reconciled" by either cutting that bill or another appropriation, or by increasing tax revenues, using sequestration if required.

Conference Committees

If Senate and House bills do not agree, Conference Committees consider items of disagreement between the two houses, and make recommendations for resolving differences by issuing conference reports, which are submitted to each chamber for action.

Sequester and Sequestration

The Gramm-Rudman-Hollings Act created the sequestration process to force spending cuts if appropriations exceeded the maximum deficit allowed by the CBR. The Budget Enforcement Act expanded the idea: sequester now occurs ". . . if a discretionary spending limit is breached or if revenues are cut below or mandatory spending increased above the baseline without off-setting changes that will eliminate any impact on the deficit."[12] The CBO and the OMB file a joint report,

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[9] Collender, Guide to the Federal Budget Fiscal 1998, p. 6.

[10] Ibid.

[11] Again: some observers argue that the process is not working as intended.

[12] Stanley E. Collender, *The Guide to the Federal Budget*, (Lanham, MD: Rowman & Littlefield, 1997), p. 214.

audited by the GAO, which evaluates the appropriation bills in aggregate. If either of the variables in the deficit equation are found to be unfavorable, the sequester order mechanism goes into the automatic mode. If the Congress and the President cannot reconcile the problem, automatic cuts are ordered.

The direction the enactment process takes depends on whether or not a sequester order is required. Without the sequester "trigger," the appropriations bill is sent to the President for signature. If sequester is required, budget adjustments must be made to satisfy BEA requirements before the spending bill can be sent to the President.

Phase 3: Budget Execution

If we conceive of budget formulation as preparing a plan for a budget year, and enactment as adjusting and approving that plan, then budget execution is the accomplishment of the plan. Execution of a particular budget begins on 1 October, the first day of the fiscal year covered by the budget, although preliminary administrative actions begin much earlier. It ends when record is made of payment of the last dollar properly chargeable to the funds appropriated for the budget in question. The fact that some payments have been recorded against funds appropriated ten years earlier is evidence that budget execution occurs over a long period.

Apportionment is a part of almost all budgets. In the federal budget, OMB apportions (distributes) budget authority, usually by quarters, over the duration of the appropriation, and agencies and departments do the same for their subordinate components. Another budget control mechanism is the retention of reserves at various levels to compensate for unforeseen circumstances.

Impoundments

As enactment is complicated by the possibilities of sequestration, execution is complicated by impoundment, which is any action or inaction (by an officer or other government employee) that precludes the obligation or expenditure of budget authority provided by Congress.[13]

An impoundment occurs when the President proposes not to spend all or part of an enacted appropriation. The President can determine whether and when an impoundment will be proposed, which programs will be affected, and to what extent. However, under the provisions of the Impoundment Control Act of 1974, Congress has the responsibility to review and pass judgment on all proposed impoundments. Without Congressional approval, an impoundment cannot become effective and, therefore, spending will not be cut.[14]

There are two types of impoundments: rescissions and deferrals. A rescission is a Presidential proposal not to spend part or all of a Congressionally-approved appropriation. The reason for such a proposal can either be specific (as when the objectives of the program can be achieved without spending the full amount appropriated) or general (such as fiscal policy considerations). Regardless of the reason, the President must submit a message to Congress requesting the rescission and explaining the reasons for it. If both houses of Congress do not pass a

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[13] *A Glossary of Terms*, p. 52.

[14] Collender, p. 10.

bill approving the proposed rescission within 45 legislative days, the President must spend the money as originally intended. A deferral is a Presidential proposal to delay spending of Congressionally-approved appropriations. The delay cannot last beyond the end of the fiscal year. Regardless of the length of time, the President must submit a deferral message to Congress. Unlike a rescission, which requires specific approval by Congress, a deferral is automatically approved unless, at any time after the President's message has been received, either the House or Senate passes legislation specifically disapproving it.[15]

Budget Authority vs. Outlays

The federal budget for a particular year allows expenditures for many projects and programs, some of which will take several years to accomplish. All of the money authorized for a particular year is referred to as "budget authority." All of the money actually expended in a particular year is called "outlays."

Some of a particular year's budget will not be spent that year, as it is earmarked for a future year, and will "subtract" from that year's authorization. Similarly, budget authority from previous years, designated to spent during the current year, will "add" to the current year's spending. Finally, some money planned for expenditure in the current year will not be spent at all due to projects canceled, deferred, or otherwise altered. Therefore, it is unlikely that the money authorized in the budget of any particular year will equal the actual outlay of money in that same year.

Figure 5-4 depicts the relationship between budget authority and outlays in a fiscal year. The President proposed a budget with total budget authority of $1638 billion (upper left-hand corner). However, only 79.3 percent of that amount, or $1296 billion, (top center) will be spent in FY 97. The remaining $342 billion (in the downward-flowing pipe) is for future years. At the same time, unspent authority enacted in prior years, and dedicated to FY-97, amounting to $339 billion (lower left corner and the upward-flowing pipe) brings the total outlays for FY-97 to $1635 billion (upper right corner). The $968 billion was the total amount of unspent budget authority that was projected to result in outlays in fiscal 1998 and beyond (bottom right-hand corner).[16]

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[15] Collender, pp. 36-38.

[16]   Collender, pp. 2-5.

Relationship of Budget Authority to Outlays - FYxx (In Billions of Dollars)

New Authority Recommended For FYxx: **1638**

Authority To Be Spent in FYxx: **1296** (1638 - 342)

Outlays in FYxx: **1635** (1296 + 339)

Authority To Be Spent In Future Years (342)

342

339

Authority To Be Spent In FYxx (339)

Authority Written Off, Expired, Adjusted: **9**

Unspent Authority Enacted In prior Years: **974**

Authority To Be Spent In Future Years: **626** (974 - 339 - 9)

Unspent Authority For Outlays In Future Years: **968** (626 + 342)

Figure 5-4. Budget Authority vs. Outlays

DoD agencies often use these authorization terms with slightly different meanings. "New obligational authority" (NOA) can mean the additional amount Congress appropriates an agency over and above earlier appropriations and other funds the agency has available or expects to receive from separate sources. In the same sense, NOA contrasts with "total obligational authority" (TOA) or "topline." DoD Agencies often use the term TOA to mean the amount authorized a certain approved program, for the current year, whether the obligational authority stems from the budget of the current or previous years.

Deficit vs. Debt

The two main variables in any budget are revenues and outlays. A balanced budget is one in which revenues or "receipts" equal outlays. A budget surplus is the amount by which the government's budget receipts exceed its budget outlays for a given budget or fiscal year. Likewise, a budget deficit is the amount by which the government's budget outlays exceed its budget receipts for a fiscal year. The federal debt is the cumulative amount of all annual deficits.

On-Budget vs. Off-Budget

Not everything the federal government spends money on is reflected in the budget totals. Certain federal entities, programs, and some parts of programs have been specifically excluded from the budget. The Budget Enforcement Act, for example, excluded the receipts and disbursements of Social Security (the Old-Age and Survivors Insurance Fund and the Disability Insurance Fund) from the President's Budget, and the CBR. Programs that have been excluded like this are called "off-budget." Because the outlays from these programs are not included in the budget totals, the "official deficit" is not affected by them[17].

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[17] Collender, p. 13.

There is no standard by which a program is or is not included in the budget totals; the decision is almost always political and can be changed depending on the year and situation. For example, until 1981, the purchase of oil for the strategic petroleum reserve was on-budget, that is, any spending was included in the budget and the deficit was affected accordingly. In 1981, the Reagan Administration proposed, and Congress agreed, to take this spending off-budget. There was no specific reason for this other than the fact that the price of oil had increased and the White House did not want the deficit growing by as much as would have occurred. Rather than propose to spend less or increase revenues or cut other programs to control the deficit, President Reagan proposed to take the spending off-budget. In 1985, however, this program was put back into the budget when GRH was enacted.

The issue of on-budget versus off-budget spending became a more public issue in 1989 because of the savings and loan bailout legislation. The Bush Administration wanted the expected $50 billion in spending between FY 89 and 91 to be off-budget, while Congress wanted it to be on-budget but to exempt it from the GRH deficit calculations. The compromise was that the first $20 billion would be on-budget and the next $30 billion would be off-budget.[18]

The effects of on-budget and off-budget items explain why the debt can change each year by more than that year's deficit or surplus, which reflects only on-budget spending. The debt reflects *all* spending

Other Execution Phase Terminology

Several terms apply to the "spending" activity of the execution phase that are often used interchangeably without harm, but have specific meanings in the budget world:

- *Apportionment* is the OMB's distribution of funds available for obligation, including regulation of the rate at which appropriated funds can be spent. The apportionment process is intended to spread out spending so that additional appropriation will not be required. One example is the quarterly apportionment of a unit's budget.

- A *commitment* is a firm administrative reservation of funds. The act of entering into a commitment is usually the first step in the process of spending available funds. A commitment is subject to cancellation provided it has not been obligated.

- An *obligation* represents the amount of an order placed, contract awarded, service rendered, or other transaction which legally encumbers a specified amount of an appropriation or fund for expenditure.

- *Expenditures* (or disbursements) result in actual payments from available funds. They are evidenced by vouchers, claims, or other documents. Expenditures result in outlays and directly affect the deficit as discussed earlier.[19]

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[18] Collender, pp. 12-13.

[19] These definitions were derived from *A Glossary and Financial Management Guidebook for Commanding Officers*, NAVSO P3582 (Washington DC: Dept. of the Navy, Office of the Comptroller, November 1985).

Phase 4: Review and Audit

Individual agencies are responsible—through their own review and control systems—for making sure that the obligations they incur and the resulting outlays adhere to the provisions in the authorizing and appropriations legislation, as well as to other laws and regulations governing the obligation and expenditure of funds. OMB exercises its review responsibility by appraising program and financial reports and by keeping abreast of agencies' efforts to attain program objectives.

In addition, the GAO, as an agency responsible to Congress, regularly audits, examines, and evaluates government programs. Its findings and recommendations for corrective action are made to Congress, to OMB, and to the agencies concerned. GAO also monitors the Executive Branch's reporting of messages on deferrals, proposed rescissions, the President's requests to cancel budget authority, and the President's requests to temporarily withhold funds. Should the President fail to make budget authority available in accordance with applicable law, GAO may bring civil action to obtain compliance.[20]

People

Executive Branch

Economic Policy Group

The Treasury Secretary, the Chairman of the Council of Economic Advisers, and the Director of the OMB join with officials of the Departments of Commerce, State, and Labor to form the Economic Policy Group. The group meets to consider the economic situation in relation to the budget and government fiscal policies. When the discussions include monetary policies, the group calls in a representative of the Federal Reserve Board. Supported by the staffs of the first three officials, and primarily by that of the Chairman of the Council of Economic Advisers, the Economic Policy Group exerts an important centralizing influence on budget and fiscal decision making. The Economic Policy Group develops memoranda for the President, reviews the economic situation and recent budget trends, and, when necessary, revises budget totals. Meeting with the President from time to time, its discussions and memoranda weigh heavily on Presidential decisions on taxation and spending.

Office of Management and Budget (OMB)

The Budget and Accounting Act of 1921 specified that the Bureau of the Budget would assist the President in preparing the annual request for appropriations. It empowered the Bureau to assemble, correlate, revise, reduce, or increase the estimates of the several departments or establishments. Further, the act authorized the Bureau to evaluate department activities, operations, and methods of business with the aim of recommending changes to achieve greater economic efficiency.

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[20] *A Glossary of Terms*, p. 101.

OMB exercises Executive Branch cognizance over the federal budget process. It assists the President in preparing the annual budget, formulating the government's fiscal program, and supervising and controlling budget execution. In its economic policy formulation and forecasting role, OMB conducts fiscal, economic, and financial analyses. It also helps develop budget, tax, credit, and fiscal policies. In an administrative or agency-interaction role, OMB communicates Presidential guidance to the agencies and departments of the Executive Branch. It examines their budget requests, programs, operating methods, and legislative proposals. OMB employs approximately 540 people.

There is a division of labor in the OMB for interaction with other executive departments and agencies. The branch concerned with the Department of Defense (DoD) and its programs is the National Security Division. The Associate Director has management oversight responsibility that extends to the activities of the Office of the Secretary of Defense (OSD) and individual Services. The National Security Division divides its efforts between four principal sub-elements. One exercises cognizance over personnel, pay, and policy. Each of the remaining three exercises cognizance over the program of a particular military department. In discharging its responsibility, the Division examines agency programs and operating methods, and reviews budget requests and legislative proposals. Oversight includes analyses of long-range programs from which OMB makes fiscal projections and entails special analyses of selected problems. Emphasizing areas of interest common to two or more agencies, these analyses seek to improve program management and interagency coordination.

Legislative Branch

Congressional Committee System

Congress parcels out its work to three types of committees: select and special committees, joint committees, and standing committees. A subcommittee is a functional subdivision of one of the other three. The standing and joint committees have the most relevance to the federal budget process. We will discuss the resource allocation committees, but not include the House Ways and Means Committee and the Senate Finance Committee, which consider all revenue measures.

Budget Committees

The Budget Committees of the House and Senate function in the areas of fiscal policy and priorities. They monitor the likely effects of existing and proposed legislation on budget outlays. They keep track of tax expenditures (that is, revenue losses attributed to tax relief provided by federal statutes). Most importantly, the Budget Committees guide Congress in the task of setting levels for total spending, revenues, and the national debt. In this capacity, the committees play a central role in developing concurrent resolutions on the budget, which set forth or revise the Congressional budget for a fiscal year.

Authorization Committees

Instead of approving funding directly, Congress first enacts specific authorizing legislation. This task falls to the authorizing committees in both houses. These committees provide substantive review of Executive Branch proposals and recommend legislation that authorizes agencies to pursue

particular programs and activities. The legislative committees that have primary cognizance of defense authorizations and produce the defense authorization bills, are the House Armed Services Committee (HASC) and Senate Armed Services Committee (SASC). Their subcommittees are shown in Figure 5-5.

House Armed Services Committee (Subcommittees)	Senate Armed Services Committee (Subcommittees)
Installations & Facilities	Airland
Personnel	Emerging Threats & Capabilities
Procurement	Personnel
Readiness	Readiness & Management Support
Research & Development	Seapower
Merchant Marine*	Strategic Forces
Morale, Welfare * & Recreation	
* Special Oversight Panels	

Figure 5-5. Authorization Subcommittees

Appropriations Committees

The House Appropriations Committee (HAC) and the Senate Appropriations Committee (SAC) each has thirteen subcommittees that work on specific appropriation bills (see the "Products" section). The Defense subcommittees and the Military Construction subcommittees review all defense issues as part of the appropriation process. These are powerful groups, as they are the ones who decide how much money an agency will get. Competition for a seat on these committees is keen, and the leadership in both houses picks the members very carefully.

Congressional Staffs

Staff members in Congress are employed in two capacities. Personal staffs of Representatives and Senators are hired by the member of Congress. Committee staff, who work not for members of Congress, but for the committee to which they are attached, are hired by the members of the committees.

Both chambers allow for personal staff for their members, but fund them in different ways. In the House, members are allowed eighteen permanent staff and four part-time positions. The allowance for these positions are adjusted annually. As well, the more people a Congressman hires, the smaller the salaries will be. The typical House member now has about nine personal staffers.

In the Senate, members were originally granted staff to assist them with their committee work. In 1891, the allowance was one; in 1914, three. Shortly thereafter, Senators were allowed to assign personal staff to the committees of which they were Chairs. Senators' personal staff are now

funded through an appropriation that includes allowances for travel and miscellaneous expenses, from which Senators may hire as many staff as they wish. A typical staff size for a Senator is 24, and may include three or four interns.

The roles that personal staffers fill, and their titles, vary from member to member, but generally include offices such as these: A Chief of Staff, who reports directly to the member and coordinates the activities of the staff. A Legislative Director, who is concerned with the programs and bills the member is interested in, particularly those in the committees and subcommittees on which the member sits. There may be staff members specifically designated to functions of government, such as Defense, Agriculture, Commerce, etc. Almost all staffs include a Press Secretary or Communications Director, who keeps constituents and the public at large informed about the member's views and positions. As would be expected, there is a Personal Secretary, Appointments Director, or Scheduler to keep the member at the right place at the right time and arrange travel. A Case Worker (often several of them) are almost always stationed at the local office or offices of the member, where they handle constituents' issues, problems, and concerns, matters that often center around difficulties encountered in dealing with the government. (One Congressman considers this function so important that his Chief of Staff is stationed in the state, not in Washington, DC, to ensure that the public liaison work goes smoothly).

Committees in the House are allowed "statutory" staffs of thirty permanent positions, except for the Appropriations Committee, which are allowed to set their own staff levels. The Chair and majority members of the committee select two-thirds of the committee staff; the ranking member and minority members select the remainder.

In the Senate, since 1980, committee staffs have been selected by the members, limited by annual budgets for staffing and other expenses, which are approved by the Senate as a whole. One-third of each committee's budget is reserved for the minority party.

Because the appropriations allow for temporary employees and paid interns, and because committees often change in name, jurisdiction, and subcommittee composition, the total number of committee staff is difficult to ascertain. The most recent formal account, conducted by the Congressional Research Service in 1996, noted 1,367 committee staffers in the House, down from a high in 1991 of 2,285. The largest staff in the House was on the Oversight Committee (256); the smallest (12) on the Standards of Official Conduct Committee. In the 105th Congress, the same two committees, respectively, had the largest and smallest budgets, ($20,020,572 and $2,456,300) from a total committee appropriation (excluding the Appropriations Committee) of $178,321,878 for the two years of that Congress. The most recent Senate appropriations, for FY 1999, was for $77,254,000, to support an estimated 1,239 to 1,280 positions.

Congressional staffers are hired and fired at will, with little security beyond their affiliation with a particular member or members. Junior personal staff may increase their pay, status, and career opportunities by moving from personal staff to a committee staff position over which their representative has influence. More than one Congressman started his career as a staffer.

Department of Defense Liaison with Congress

Each service and the Office of the Secretary of Defense maintain an office dedicated to Congressional liaison. In the Navy's case, the office works for the Secretary of the Navy. Headed by a rear admiral, the office functions as a conduit for the prompt, accurate, and appropriate delivery of information to the offices of Congressmen, their personal staffs, and House and Senate Committee staffs. The offices have separate branches for House and Senate liaison and employ 20 to 25 people. Requests from Congress take many forms, but are most often centered around a specific issue about which the member requires information, which the liaison officer may deliver in a brief or a written summary, usually to a staffer. Officers often arrange travel requests when staffers or members want to see operating forces, installations, or commands, in which case then often work with local staff's public affairs officers. Liaison officers are almost always involved when senior DoD members testify in Congress. The most common task is to provide a response to a question for the record from a member of Congress. Such "QFRs" occur when a member asks a question during testimony that the officials cannot answer, or when additional level of detail is required. The liaison officer then researches the response from the appropriate DoD command or staff and delivers the information to the committee staff.

Above all, "liaison" does not mean "lobby." Especially in the sensitive areas of "appeals" to authorization or appropriations bills, the services' liaison branches are expected to be thoroughly professional, speak with one voice, and avoid any action that would jeopardize the trust between staffers and the military. Of utmost importance are inquiries regarding constituents who are service members, the number of which runs into the tens of thousands each year.

Congressional Budget Office (CBO)

The Congressional Budget and Impoundment Control Act of 1974 created the CBO to provide assistance to the Congress in fulfilling its responsibilities to ensure effective Congressional control over the budgetary process; to determine each year the appropriate level of federal revenues and expenditures; and to recommend national budget priorities.

The CBO provides Congress with information on the budget and on proposed taxing and spending legislation, and conducts studies and analyses as committees may request. By its charter, the CBO examines alternatives to proposals, but makes no recommendations. As a primary responsibility, the CBO furnishes the two Budget Committees with the data and analyses they need to discharge committee functions. The CBO develops information on request for the Appropriations Committee of either house, and for the House Ways and Means Committee and Senate Finance Committee. In addition, again on request, the office provides any committee or member with information already compiled and available. In yet another function, the CBO tracks the spending decisions of Congress and relates them to established budget authority and outlay targets. The CBO currently employs 232 personnel.

One feature of the Congressional Budget Act of 1974 also holds special interest for the service staffs. The act requires executive departments and agencies to furnish the Director with any available information, data, estimates, and statistics determined necessary, unless disclosure would be in violation of the law.

General Accounting Office (GAO)

The establishment of the GAO (a product of the BAA of 1921) moved traditional audit functions from the Treasury Department to the control of the Congress. GAO employs approximately 3,300 people; the office audits and evaluates government programs and activities as directed by Congressional committees, subcommittees and members of Congress. In 1997, GAO produced 1,337 audits and evaluation reports; conducted 149 briefings and 182 testimony sessions for Congress; and issued 2,386 legal decisions. The office also sets accounting and auditing standards for government departments, advises agencies on fiscal policies and procedures, and standardizes information technology systems. GAO often produces studies that are directed at the analysis of defense budgeting plans and policies.

Congressional Research Service (CRS)

The Congressional Research Service, a branch of the Library of Congress, employs 800 people to provide various forms of research to members. Responses can range from telephone calls to the delivery of pre-assembled information packets to written responses or major reports. CRS staffers may also be assigned to committees for periods of time in order to provide closer and more immediate assistance. The CRS responds to as many as 600,000 individual requests each year, in addition to providing seminars, training sessions, briefings, and testimony.

Additional players in the budget process include almost all of the participants in the domestic political process who have an interest in budget issues—lobbyists, professional groups, business groups, and many special interest groups.

Products

The most important products of the budget process are the President's Budget, the Concurrent Budget Resolution, the Authorization Bills, the Appropriation Bills, and Continuing Resolutions.

President's Budget

The President's Budget is a proposal. It is designed to present the President's preferences with regard to those goals and purposes of the budget discussed earlier, and is published by OMB in four volumes:

The Budget of the United States Government, Fiscal Year XXXX contains the President's Budget message and an overview of the President's budget proposals. It explains spending plans in terms of national needs, agency missions, and basic programs; it analyzes estimated receipts, and discusses the President's tax program. This document also describes the budget process and presents summary tables on the overall budget.

Budget of the United States Government, A Citizen's Guide to the Federal Budget is designed for the general public. It provides a more concise, less technical overview of the budget than the full budget. It provides summary and historical tables on the federal budget and debt, together with graphic displays.

The Budget of the United States Government, Appendix, contains information on the various appropriations and funds that comprise the budget. For each agency, the *Appendix* includes the proposed text of appropriation language, budget schedules for each account, new legislative proposals, explanations of the work to be performed and the funds needed, proposed general provisions applicable to the appropriations of entire agencies or groups of agencies, and schedules of permanent positions. Supplemental and rescission proposals for the current year are presented separately. Information is also provided on certain activities whose outlays are not part of the budget total.

The Budget of the United States Government, Analytical Perspectives, highlights specific program areas and other significant presentations of federal budget data. It presents alternative views of the budget, that is, current services and national income accounts; economic and financial analysis of the budget covering government finances and operations as a whole; and government-wide program and financial information for federal civil rights and research and development programs.

Concurrent Budget Resolution (CBR)

The CBR is the most recent addition to the products of Congress; its purpose is to "pre-negotiate" the work of the other committees and to avoid the time-consuming settlement efforts for each authorization and appropriation bill. The resolution must contain the appropriate level of budget authority and outlays for the total budget, the recommended level of revenues, the surplus or deficit, the level of authority and outlays for each budget function, and the appropriate level of the public debt.

The CBR is not a bill, and is not forwarded to the President. Congress adopts it as an internal mechanism to bind the authorization, appropriations, and revenue committees in their work. The document makes no line-item specifications or program decisions.

The President's Budget and the CBR assign funds in accordance with budget functions, which are categories that designate general areas of government activity. Functions contain sub-functions, which describe mission areas, but even at that level they may contain parts of departments or more than one department. The National Defense Function (code 050) contains three sub-functions: DoD—Military (code 051), Department of Energy Defense Activities (code 053), and Defense-Related Activities (code 054). The budget functions are shown in Figure 5-6.

Code	Activity	Code	Activity
050	National Defense	550	Health
150	International Affairs	570	Medicare
250	General Science, Space, Technology	600	Income Security
		650	Social Security
270	Energy	700	Veterans Benefits and Services
300	Natural Resources, Environment		
		750	Administration of Justice
350	Agriculture		
		800	General Government
370	Commerce, Housing Credit		
		900	Net Interest
400	Transportation		
		920	Allowances
450	Community and Regional Development	950	Undistributed Offsetting Receipts
500	Education, Training, Employment, Social Services		

Figure 5-6. Budget Functions

Departmental budgets submitted to the OMB for the President's Budget, including the programmatic products of the PPBS, are "cross walked" into the budget functions, and then considered in turn in the appropriation bills, as explained below.

Authorization Bills

The authorization bills establish the purpose and guidelines for an activity and usually set a limit on the amount that can be spent. They are the first products that reflect an actual commitment to spend money for a specific purpose, because they grant permission to appropriate budget authority. Each authorization bill serves the function of either establishing, continuing, or modifying federal programs.

Some authorization bills directly provide spending for the programs they authorize, because the money allotted is done so through an entitlement; hence the terms "direct spending" or "mandatory spending." Some entitlements, however, also receive an appropriation, but the amounts are controlled by the authorization acts. Most direct spending acts are permanent—no periodic re-enactment is required. Some (the Food Stamp program is an example) require periodic renewal.

Because they are policy decisions (with some fiscal dimensions), they are instruments of Congressional control and oversight. Until the 1950s, authorization bills were largely permanent; they provided continuous authority year after year. With the growth of the budget, Congress desired more control and made many bills (including the defense authorization bills) annual acts, thus requiring extensive review (meaning hearings, testimony, etc.) every year. To further exercise policy and control, the defense authorization has, on occasion, been subdivided to the degree that the specific number of missiles, aircraft, and ships have been separate bills, enacted annually.

Appropriation Bills

The appropriation bills make money available to agencies of the government. Except in the case of entitlements (explained below), an appropriation is the key determinant of how much will be spent on a program. The thirteen separate appropriation bills common to the House and the Senate are shown in Figure 5-7.

Appropriation Bills

- Agriculture & Rural Development
- Commerce / Justice / State / Judiciary
- Defense
- District of Columbia
- Energy & Water Development
- Foreign Operations, Export Financing
- Interior
- Labor / Health & Human Services / Education
- Legislative Branch
- Military Construction
- Transportation
- Treasury & General Government
- Veterans Administration / Housing & Urban Development / Independent Agencies

Figure 5-7. House & Senate Appropriation Bills

The cross walking discussed earlier causes the Energy and Water Subcommittee to appropriate the money to support the Department of Energy Defense Activities (code 053) budget, while the Defense Subcommittee appropriates the DoD–Military (code 051) budget.

Emergency Spending

Congress can enact emergency spending for almost any purpose or function it deems appropriate. Emergency spending does not count toward the budget caps. Common examples are natural disasters at home and abroad, and military contingencies. More controversial are those bills that appear to essentially spend money "off budget;" an example from the FY 2000 budget was funding for the 2000 census, which Congress authorized as an emergency.

Continuing Resolutions

If an appropriation bill is not made law by the beginning of the fiscal year, Congress can enact and the President can make a continuing resolution into law. These bills are not appropriations; they allow a "rate of operations" for a portion of the government for a specific period of time. They cease to control the budget when the regular appropriation bills become law.

The increased use of the continuing resolution is attributed, in part, to Congress's inability to meet the budget process timetable and to the sharp legislative and executive branch conflicts over budget priorities. As an example, in the eighteen years between 1978 and 1996, the Defense

Appropriations Act was passed on time only three times, and on one of those occasions, the committee reported the bill minutes before midnight.

Plug-in

DoD enters the federal budget process with its submission of the proposed departmental budget to the OMB, which is the budget staff of the Executive Branch.

The federal budget process returns to the DoD when the budget is enacted and begins execution. The DoD doesn't just "spend" the money; at various levels, personnel are employed in the exacting business of apportioning, committing, obligating, expending, auditing, and monitoring the money that the process delivers for purposes of national security. Figure 5-8 illustrates the numerous activities and documents (darkened on the diagram for emphasis) in defense resource allocation that are driven by the federal budget process.
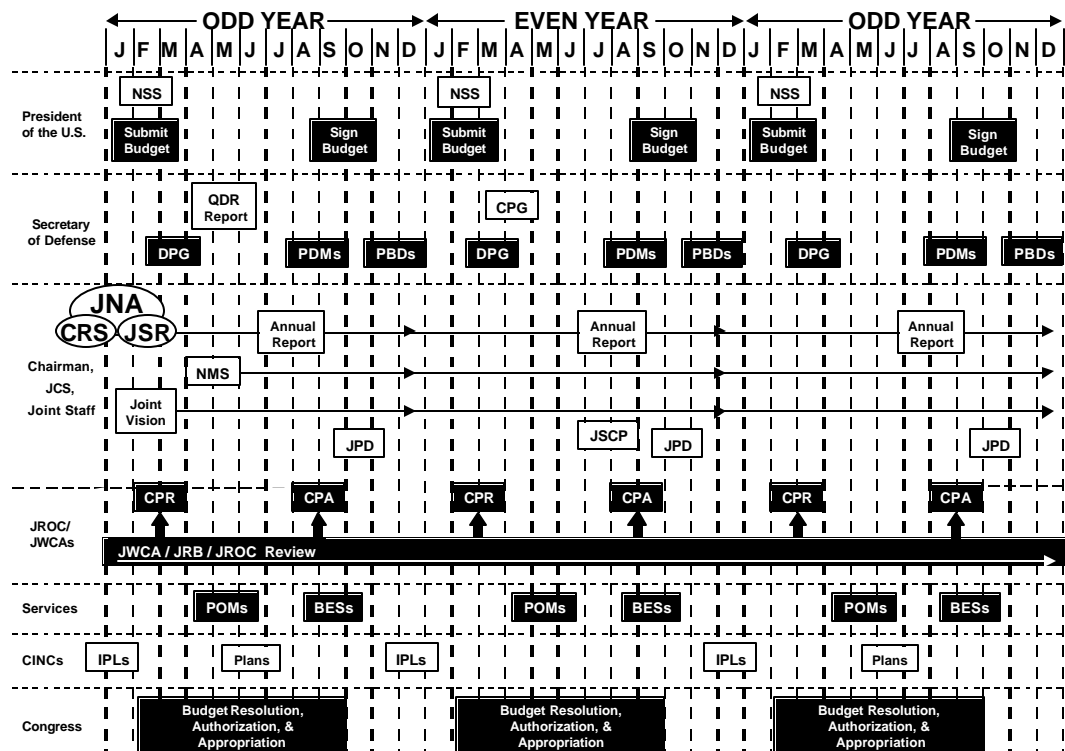
Figure 5-8. Federal Budget Process: Calendar Events

BESs:	Budget Estimate Submissions	**JRB**:	Joint Requirements Board
CINCs:	Commander-In-Chief	**JROC**:	Joint Requirements Oversight Council
CPA:	Chairman's Program Assessment	**JSCP**:	Joint Strategic Capabilities Plan
CPG:	Contingency Planning Guidance	**JSR**:	Joint Strategy Review
CPR:	Chairman's Program Recommendation	**JWCA**:	Joint Warfighting Capabilities Assessment
CRS:	Chairman's Readiness System	**NMS**:	National Military Strategy
DPG:	Defense Planning Guidance	**NSS**:	National Security Strategy
IPLs:	Integrated Priority Lists	**PBDs**:	Program Budget Decisions
JCS:	Joint Chiefs of Staff	**PDMs**:	Program Decision Memoranda
JNA:	Joint Net Assessment	**POMs**:	Program Objective Memoranda
JPD:	Joint Planning Document	**QDR**:	Quadrennial Defense Review

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> This book explains how budgeting works at each stage of executive and legislative action and assesses the effects of the procedures on budget politics and policies.

Chapter 6
Synthesis

You should now have a better understanding of the people, products, and processes used by DoD in making resource allocation decisions. The JSPS identifies threats, risks, and opportunities, and proposes a strategy detailing how to best align forces in support of national security objectives. The PPBS proposes a six-year plan to field the right mix of forces in support of that strategy. The RGS identifies and refines mission needs, and energizes the DAS to procure capabilities in support of those needs. The federal budget process authorizes programs and appropriates funds in order to procure and operate the desired systems. Figure 6-1 illustrates these interrelationships of the formal process.
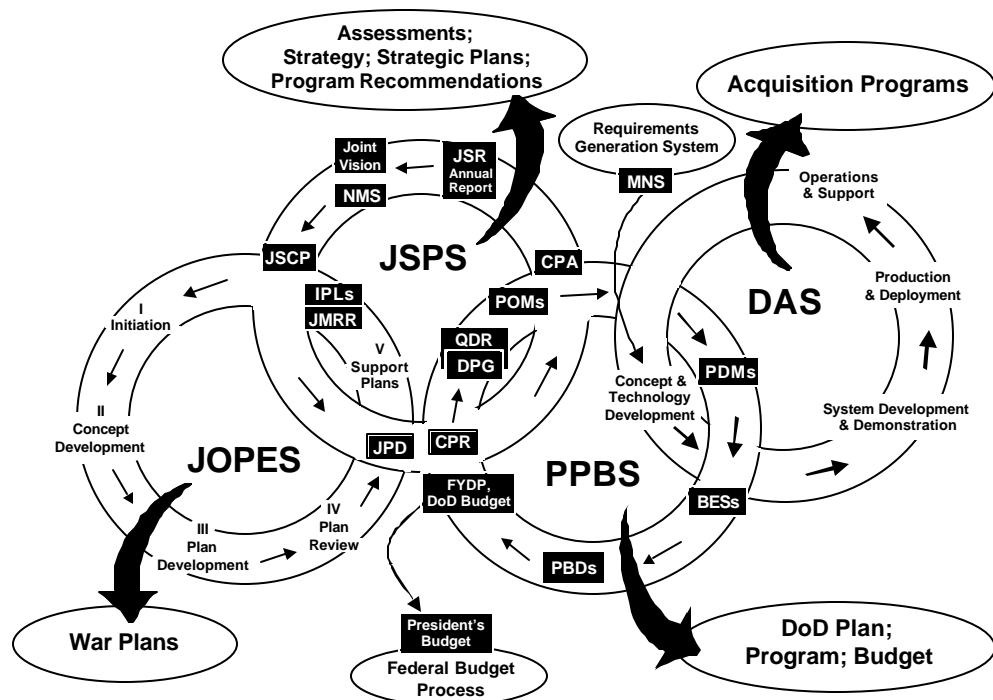
Figure 6-1. Defense Planning Interrelationships

BESs:	**Budget Submission Estimates**	**JSCP:**	**Joint Strategic Capabilities Plan**
CPA:	**Chairman's Program Assessment**	**JSPS:**	**Joint Strategic Planning System**
CPR:	**Chairman's Program Recommendation**	**JSR:**	**Joint Strategy Review**
DAS:	**Defense Acquisition System**	**MNS:**	**Mission Need Statement**
DoD:	**Department of Defense**	**NMS:**	**National Military Strategy**
DPG:	**Defense Planning Guidance**	**PBDs:**	**Program Budget Decisions**
FYDP:	**Future-Years Defense Program**	**PDMs:**	**Program Decision Memoranda**
IPLs:	**Integrated Priority Lists**	**POMs:**	**Program Objective Memoranda**
JMRR:	**Joint Monthly Readiness Report**	**PPBS:**	**Planning, Programming, & Budgeting System**
JOPES:	**Joint Operation Planning & Execution System**	**QDR:**	**Quadrennial Defense Review**
JPD:	**Joint Planning Document**	**RGS:**	**Requirements Generation System**

The federal budget time line is the driving force for defense resource allocation decision making. The PPBS is most directly affected, but even the event-driven RGS and DAS must be responsive to budget formulation and the Congressional enactment process. Figure 6-2 displays the interaction of the players and products over time.
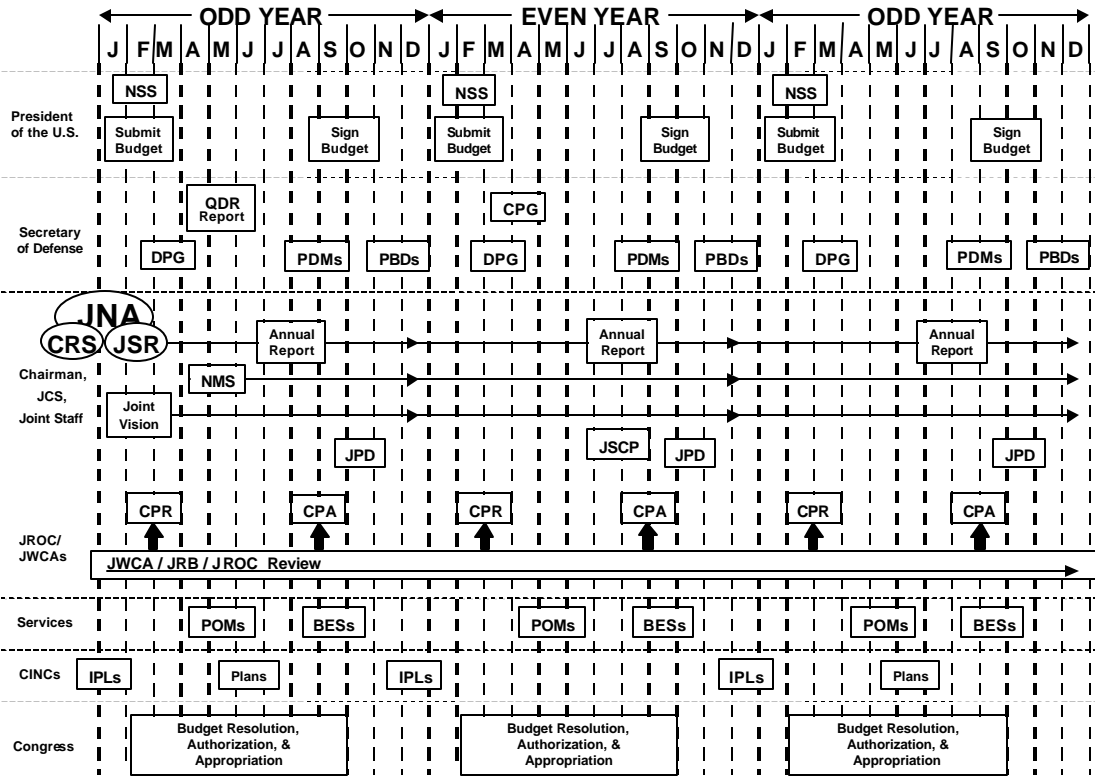
Figure 6-2 . Calendar Events

BESs:	Budget Estimate Submissions	**JRB**:	Joint Requirements Board
CINCs:	Commander-In-Chief	**JROC**:	Joint Requirements Oversight Council
CPA:	Chairman's Program Assessment	**JSCP**:	Joint Strategic Capabilities Plan
CPG:	Contingency Planning Guidance	**JSR**:	Joint Strategy Review
CPR:	Chairman's Program Recommendation	**JWCA**:	Joint Warfighting Capabilities Assessment
CRS:	Chairman's Readiness System	**NMS**:	National Military Strategy
DPG:	Defense Planning Guidance	**NSS**:	National Security Strategy
IPLs:	Integrated Priority Lists	**PBDs**:	Program Budget Decisions
JCS:	Joint Chiefs of Staff	**PDMs**:	Program Decision Memoranda
JNA:	Joint Net Assessment	**POMs**:	Program Objective Memoranda
JPD:	Joint Planning Document	**QDR**:	Quadrennial Defense Review

Table 6-1 is a useful reference for reviewing the defense resource allocation process. It traces each system from the players to the outputs. You should now be able to walk through any of the figures in the text and understand the relationships among the various products, and where and how the key participants can influence the process.

TABLE 6-1: SUMMARY OF THE DEFENSE RESOURCE ALLOCATION PROCESS

SYSTEM	PHASE	PLAYERS	ACTIVITY	OUTPUT
• Federal Budget Process	• Formulation or Executive Preparation and Submission	• Executive Agencies and Departments	• Review of current operations, programs, objectives, and future plans	
		• President/OMB	• Exchange info on trade and economic projections	
			• Build budget requests	• President's Budget submitted to Congress
	• Enactment or the Congressional Budget Process	• Senate and House Budget Committees	• National needs considered • Review economic forecasts	• Concurrent Budget Resolution
		• Senate and House Armed Services Committees	• Create defense authorization bills, with conference action if necessary	• Defense Authorization Bill
		• Senate and House Appropriation Committees	• Create defense appropriation bills, with reconciliation and/or conference action if necessary	• Defense Appropriation Bill
		• OMB/CBO/GAO	• Analysis of tax and spending legislation for sequester criteria	• Spending cuts if required
		• Full Senate and House	• Pass bills	• Send to President for signature or veto

SYSTEM	PHASE	PLAYERS	ACTIVITY/DOCUMENTS	OUTPUT
• Federal Budget Process	• Execution or Implementation and Control	• OMB	• Apportions funds to be spent	• Development, building, modernizing, maintaining, and supporting of military forces
		• Agencies and services	• Commitment, obligation, and expenditure of funds	
		• President	• Submits impoundment requests (rescission and/or deferral)	
		• Congress	• Takes action on impoundment requests or Presidential vetoes	
• Federal Budget Process	• Review and Audit	• Agencies and	• Review and control services	• Assurance that outlays/ obligations incurred comply with authorizing and appropriation laws and/or civil action for non-compliance
		• OMB/GAO	• Audit agencies and departments. Take civil action as required	

SYSTEM	PHASE	PLAYERS	ACTIVITY	OUTPUT
• JSPS		• DIA	• Provide advice on intelligence priorities, appraisals of situations and threats	
		• CINCs	• Make inputs on force level requirements, strategy, risk and priorities	• IPLs
		• JCS (J-5, J-8)	• Force capabilities assessments	• NMS, JPD
		• CJCS/JROC	• Force capabilities assessments	• CPR
• PPBS	• Planning	• NSC	• Provide national policy and objectives	• NSS
		• CJCS/OSD/CINCs Services/Agencies DRB	• Participate in development of DPG	
		• SecDef	• Promulgate DPG	• DPG

SYSTEM	PHASE	PLAYERS	ACTIVITY	OUTPUT
• PPBS	• Programming	• Services/Agencies USSOCOM	• Make 6-year resource plan to match money and man-power to programs • Program review • Update FYDP	• POMs
		• CINCs	• Provide inputs to POMs • Summer review	• IPLs • Issues
		• CJCS/JROC	• Assess appropriateness of POMs	• CPA
		• OSD	• Develop issues for alternatives	• Major Issue List Issue Papers
		• PRG/DRB	• Debate issues in Summer Review Process	
		• DepSecDef/SecDef	• Modify/Approve service programs	• PDMs
		• JROC	• JWCA	• Contracts

SYSTEM	PHASE	PLAYERS	ACTIVITY	OUTPUT
• PPBS	• Budgeting	• Services, DoD Agencies, And USSOCOM	• Prepare budget estimates submissions (BES) • Update FYDP	• BESs
		• OSD/OMB/CJCS	• Budget review	
		• DRB	• Debate appeals/issues	
		• DepSecDef	• Decide on appeals/issues	• PBDs
		• JCS/CINCs	• Assess impact on warfighting	• MBIs
		• SecDef/OMB	• Final Defense Budget	• DoD input to President's Budget
• Requirements Generation System		• CINCs/Services/OSD/ JCS/DoD Agencies	• Assessments	• Requirements
		• JROC	• Refine/Validate/Approve	• MNS
• Defense Acquisition System	• Milestone A Conduct Concepts Study	• DAB/MDA	• Review MNS	• ADM: approval to enter Concept & Technology Development Phase
	• Concept & Technology Development Phase	• Lead Agency	• Evaluate alternatives • Develop AQ Strategy	• AoA • Present plan to DAB
		• JROC	• Assess cost/performance	• Revalidate MNS Develop ORD
	• Milestone B Begin new acquisition program	• DAB/MDA	• Review previous phase	• ADM: approval to enter System Development & Demonstration Phase

SYSTEM	PHASE	PLAYERS	ACTIVITY	OUTPUT
• Defense Acquisition System	• System Development & Demonstration Phase	• PM	• Cost, schedule, and performance trade-offs	• ORD/APB
		• Services/OSD	• Recommend funding	• POM
		• Congress	• Oversight	• Auth/Approp Bills
		• PM	• Review exit criteria	• Present to DAB
		• JROC	• Asses cost/performance	• Revalidate MNS
	• Milestone C	• DAB/MDA	• Review previous phase	• ADM: approval to enter Production & Deployment Phase
	• Production & Deployment Phase	• Service/OSD	• Fund program	• POM
		• Congress	• Oversight	• Auth/Approp Bills
		• JROC	• Assess cost/performance	• Revalidate MNS
		• PM	• Build system/IOT&E	• LRIP
			• Review exit criteria	• Present to DAB
		• JROC	• Asses cost/performance	• Revalidate MNS

Appendix 1
Organization for National Security

This appendix provides organizational diagrams of the Department of Defense. Additional detail can be obtain from the following publications:

- Department of Defense Organization and Functions Guidebook,

  http://www.defenselink.mil/pubs/ofg/index.html

- The Joint Staff Officer's Guide 2000, Joint Forces Staff College Pub 1,

  http://www.jfsc.ndu.edu, click on The Joint Staff Officer's Guide link for JFSC Pub 1 access.

It should be noted that the recent Defense Reform Initiative has prescribed a variety of changes to the organization of DoD. Some of those changes have occurred, others reversed, and yet others remain to be implemented. The DRI can be found at:

  http://www.defenselink.mil/pubs/dodreform

If you are viewing the electronic version of this text, many of the organizations, agencies, activities, directorates, and offices are linked to their respective websites. This allows you to obtain additional information by "clicking" on the appropriate block on the diagrams.

National Security Council

National Command Authorities

President

Secretary
of Defense

Vice
President

Secretary
of State

**Chairman of the
Joint Chiefs of Staff**

Vice Chairman

Service
Chiefs

Joint Staff

Combatant Commands

Central Command
European Command
Pacific Command
Southern Command
Joint Forces Command
Special Operations Command
Space Command
Strategic Command
Transportation Command

Military Departments
(Navy, Army, Air Force)

Service Secretaries

Service Chiefs

Figure A-1-1. Organization for U.S. National Security

Figure A-1-1 was used in Chapter 1 of this text and shows how the U.S. government has organized itself to deal with national security. Figure A-1-2 and the diagrams on the following pages focus on the Department of Defense and its organization.

Secretary of Defense

Deputy Secretary of Defense

**Office of the
Secretary of Defense**

**Defense
Agencies**

**DoD
Field Activities**

**Chairman of the
Joint Chiefs of Staff**

Joint Chiefs of Staff

Joint Staff

Combatant Commands

Central Command
European Command
Pacific Command
Southern Command
Joint Forces Command
Special Operations Command
Space Command
Strategic Command
Transportation Command

Military Departments

Department
of the Air Force

Department
of the Army

Department
of the Navy

U.S. Navy

U.S. Marine
Corps

Figure A-1-2. Organization of the Department of Defense

Figure A-1-3 shows the organization of the Office of the Secretary of Defense (OSD). Those offices seen in the blocks represent those secretaries and directors who report directly to the Secretary of Defense (SecDef) or Deputy Secretary of Defense. Generally, the hierarchy flows from the SecDef down through the DepSecDef to the under secretaries of defense (USDs), then to assistant secretaries of defense (ASDs) or deputy under secretaries (DUSDs), and then to deputy assistant secretaries (DASDs) or directors. You will notice that some assistant secretaries and even directors report directly to the SecDef.

Figure A-1-3. Organization of DoD: Office of the Secretary of Defense

Figure A-1-4 depicts the Defense Agencies (darkened for emphasis) and how they fit into the OSD. Many of these agencies will report directly to the SecDef under certain situations.

Secretary of Defense
Deputy Secretary of Defense

Inspector General

ATSD (Intelligence Oversight)

ATSD (Civil Support)

General Counsel

Defense Legal Services Agency

ASD (Public Affairs)

Director, Administration & Management

ASD (Legislative Affairs)

Director, Net Assessment

USD (Policy)

USD (Comptroller)

USD (Personnel & Readiness)

USD (Acquisition, Technology, & Logistics)

Director, Operational Test & Evaluation

ASD Command, Control, Communications & Intelligence

*National Security Agency

*National Imagery & Mapping Agency

*Defense Intelligence Agency

Defense Security Service

*Defense Information Systems Agency

ASD (Force Management)

Defense Commissary Agency

DUSD (Logistics & Materiel Readiness)

*Defense Logistics Agency

Defense Contract Audit Agency

Defense Finance & Accounting Service

DUSD (Acquisition & Technology)

*Defense Contract Management Agency

Director, Defense Research & Engineering

ASD (International Security Affairs)

Defense Advanced Research Projects Agency

*Defense Threat Reduction Agency

Defense Security Cooperation Agency

Ballistic Missile Defense Organization

*Combat Support Agency

Figure A-1-4. Organization of DoD: Defense Agencies

The DoD Activities (darkened for emphasis) and how they fit into OSD are displayed Figure A-1-5.

Secretary of Defense
Deputy Secretary of Defense

- Inspector General
- Director, Net Assessment
  - ATSD (Intelligence Oversight)
- General Counsel
  - ATSD (Civil Support)
- ASD (Public Affairs)
  - American Forces Information Service
- Director, Administration & Management
  - Washington Headquarters Services
- ASD (Legislative Affairs)

- USD (Policy)
  - ASD (International Security Affairs)
    - Defense POW/MP Office
- USD (Personnel & Readiness)
  - ASD (Force Management Policy)
    - DoD Education Activity
  - ASD (Health Affairs)
    - TRICARE Management Activity
  - DoD Human Resources Activity
- USD (Comptroller)
- USD (Acquisition & Technology)
  - DUSD (Installations)
    - Office of Economic Adjustment
- Director, Operational Test & Evaluation
- ASD Command, Control, Communications & Intelligence

Figure A-1-5. Organization of DoD: DoD Activities

The organization of the Joint Staff is shown in Figure A-1-6.

Figure A-1-6. Organization of DoD: The Joint Staff

The organization of the Military Departments is displayed Figure A-1-7.

Figure A-1-7. Organization of DoD: Military Departments

Appendix 2
U.S. Code Responsibilities

Federal statutes enacted by Congress and signed by the President are compiled into the United States Code. The U.S. Code is organized by topics into a series of titles numbered from 1 (General Provisions) through 50 (War and National Defense). Most of the statues that govern the Department of Defense are found under Title 10, U.S. Code Armed Forces.

The U.S. Code is published by the U.S. Government Printing Office and can also be found on the Cornell Law School website: <http://www4.law.cornell.edu/uscode/>. Statutes more recently enacted will be compiled into the U.S. Code on a periodic basis.

The following tables show the major statues that define the responsibilities of key leaders within the national security structure of the United States.

- The President

- The Secretary of Defense

- Service Secretaries

- The Chairman of the Joint Chiefs of Staff

- The Joint Requirements Oversight Council

- Unified Commanders

In addition to their responsibilities the following is also shown:

- The formal process used to meet the responsibility

- The product (document) associated with the responsibility

- The lead agency that manages the effort

	President			
Title/Section	**Responsibility**	**Process**	**Product**	**Lead**
Title 31 Section 1105	**(a)** On or after the first Monday in January but not later than the first Monday in February of each year, the President shall submit a budget of the United States Government for the following fiscal year. Each budget shall include a budget message and summary and supporting information.	**Federal Budget Process (Formulation Phase)**	**President's Budget**	**Office of Management and Budget**
Title 50 Section 404	**(a)** Transmittal to Congress. **(1)** The President shall transmit to Congress year a comprehensive report on the national security strategy of the U.S. (hereinafter in this section referred to as a "national security strategy report"). **(2)** The national security strategy report for any year shall be transmitted on the date on which the President submits to Congress the budget for the next fiscal year under section 1105 of title 31. **(3)** Not later than 150 days after the date on which a new President takes office, the President shall transmit to Congress a national security strategy report under this section. That report shall be in addition to the report for that year transmitted at the time specified in paragraph (2). **(b)** Contents. Each national security strategy report shall set forth the national security strategy of the U.S. and shall include a comprehensive description and discussion of the following: **(1)** The worldwide interests, goals, and objectives of the U.S. that are vital to the national security of the U.S. **(2)** The foreign policy, worldwide commitments, and national defense capabilities of the United States necessary to deter aggression and to implement the national security strategy of the U.S. **(3)** The proposed short-term and long-term uses of the political, economic, military, and other elements of the national power of the U.S. to protect or promote the interests and achieve the goals and objectives referred to in paragraph (1). **(4)** The adequacy of the capabilities of the United States to carry out the national security strategy of the United States, including the evaluation of the balance among the capabilities of all elements of the national power of the United States to support the implementation of the national security strategy. **(5)** Such other information as may be necessary to help inform Congress on matters relating to the national security strategy of the United States.	**National Security Council System**	**National Security Strategy**	**National Security Council**

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Secretary of Defense				
Title/Section	**Responsibility**	**Process**	**Product**	**Lead**
Title 10 Section 113	**(c)** The Secretary shall report annually in writing to the President and the on the expenditures, work, and accomplishments of the DoD during the period covered by the report, together with: **(1)** a report from each military department on the expenditures, work, and accomplishments of that department; **(2)** itemized statements showing the savings of public funds, and the elimination of unneces-sary duplications, made under sections 125 and 191 of this title; **(3)** a report from the Reserve Forces Policy Board on the reserve programs of the DoD; and **(4)** such recommendations as he considers appropriate. **(e) (1)** The Secretary shall include in his annual report to Congress: **(A)** a description of the major military missions and of the military force structure of the United States for the next fiscal year; **(B)** an explanation of the relationship of those military missions to that force structure; and **(C)** the justification for those military missions and that force structure. **(2)** In preparing the matter referred to in paragraph (1), the SecDef shall take into consideration the content of the annual national security strategy report of the President under title 50, section 404a of the U.S. Code for the fiscal year concerned.		**Annual Report to the President and the Congress**	**Office of the Executive Secretary**
Title 10 Section 113(g)	**(1)** The SecDef, with the advice and assistance of the Chairman of the Joint Chiefs of Staff, shall provide annually to the heads of DoD components written policy guidance for the preparation and review of the program recommendations and budget proposals of their respective components. Such guidance shall guidance on: **(A)** national security objectives and policies; **(B)** the priorities of military missions; and **(C)** the resource levels projected to be available for the period of time for which such recommendations and proposals are to be	**PPBS (Planning Phase)**	**Defense Planning Guidance**	**USD (Policy) & PA&E**
	(2) The SecDef, with the approval of the President and after consultation with the Chairman of the Joint Chiefs of Staff, shall provide annually to the Chairman written policy guidance for the preparation and review of contingency plans. Such guidance shall include guidance on specific force levels and specific supporting resource levels projected to be available for the period of time for which such plans are to be effective.		**Contingency Planning Guidance**	**USD (Policy)**

Secretary of Defense (continued)				
Title/Section	**Responsibility**	**Process**	**Product**	**Lead**
Title 10 Section 118	**(a)** The SecDef shall every four years, during a year following a year evenly divisible by four, conduct a comprehensive examination (to be known as a 'quadrennial defense review') of the national defense strategy, force force modernization plans, infrastructure, budget plan, and other elements of the defense program and policies of the United States with a view toward determining and expressing the defense strategy of the United States and establishing a defense program for the next 20 years. Each such QDR shall be conducted in consultation with the Chairman of the Joint Chiefs of Staff. **(b)** Each QDR shall be conducted so as: **(1)** to delineate a national defense strategy consistent with the most recent National Security Strategy by the President; **(2)** to define sufficient force structure, force modernization plans, infrastructure, budget plan, and other elements of the defense of the United States associated with that national defense strategy that would be required to execute successfully the full range of missions called for in national defense strategy; and **(3)** to identify the budget plan that would be required to provide sufficient resources to execute successfully the full range of missions called for in that national defense strategy at a low-to-moderate level of risk, and any additional resources (beyond those programmed in the current future-years defense program) required to achieve such a level of **(c)** The assessment of risk for the purposes of subsection (b) shall be taken by the SecDef in consultation with the Chairman of the Joint Chiefs of Staff. That assessment shall define the nature and magnitude of the political, strategic, and military risks associated with executing the missions called for under the national defense strategy. **(d)** The SecDef shall submit a report on each QDR to the Committees on Armed Services of the Senate and the House of Representatives. The report shall be submitted not later than September 30 of the year in which the is conducted. The report shall include the following: **(1)** The results of the review, including a comprehensive discussion of the national defense strategy of the United States and the force structure best suited to	**PPBS (Planning Phase)**	**Quadrennial Defense Review (QDR) Report**	**USD (Policy)**

Title/Section	Responsibility	Process	Product	Lead
Title 10 Section 118 (cont.)	implement that strategy at a low-to-moderate level of risk. **(2)** The assumed or defined national security interests of the United States that inform the national defense strategy defined in the review. **(3)** The threats to the assumed or defined national security interests of the United States that were examined for the purposes of the review and the scenarios developed in the examination of those threats. **(4)** The assumptions used in the review, including assumptions related to: **(A)** the status of readiness of U.S. forces; **(B)** the cooperation of allies, mission-sharing and additional benefits to and burdens on U.S. forces resulting from coalition operations; **(C)** warning **(D)** levels of engagement in operations other than war and smaller-scale contingencies and withdrawal from such operations and contingencies; and **(E)** the intensity, duration, and military and political end-states of conflicts and smaller-scale contingencies. **(5)** The effects on the force structure and on readiness for high-intensity combat of preparations for and participation in operations other than war and smaller-scale contingencies. **(6)** The man-power and sustainment policies required under the national defense strategy to support engagement in conflicts lasting longer than 120 days. **(7)** The anticipated roles and missions of the reserve components in the national defense strategy and the strength, capabilities, and equipment necessary to assure that the reserve components can capably discharge those roles and missions. **(8)** The appropriate ratio of combat forces to support forces (commonly referred to as the 'tooth-to-tail' ratio) under the national defense strategy, including, in particular, the appropriate number and size of headquarters units and Defense Agencies for that purpose. **(9)** The strategic and tactical air-lift, sea-lift, and ground transportation capabilities required to support the national defense strategy. **(10)** The forward presence, pre-positioning, and other anticipatory deployments necessary under the national defense strategy for conflict deterrence and adequate military response to anticipated conflicts. **(11)** The extent to which resources must be shifted among two or more theaters under the national defense strategy in the event of conflict in such theaters. **(12)** The advisability	**PPBS (Planning Phase)**	**Quadrennial Defense Review (QDR) Report**	**USD (Policy)**

Secretary of Defense (continued)				
Title/Section	Responsibility	Process	Product	Lead
Title 10 Section 118 (cont.)	of revisions to the Unified Command Plan as a result of the national defense strategy. **(13)** The effect on force structure of the use by the armed forces of technologies anticipated to be available for the ensuing 20 years. **(14)** Any Other matter the SecDef considers appropriate. **(e)** Upon the completion of each review under subsection (a), the Chairman of the Joint Chiefs of Staff shall prepare and submit to the SecDef the Chairman's assessment of the review, including the Chairman's of risk. The Chairman's assessment shall be submitted to the SecDef in for the inclusion of the assessment in the report. The SecDef shall include the Chairman's assessment, together with the SecDef's comments, in the report in its entirety.	**PPBS (Planning Phase)**	**Quadrennial Defense Review (QDR) Report**	**USD (Policy)**
Title 10 Section 221	**(a)** The SecDef shall submit to Congress each year, at or about the time that the President's budget is submitted to Congress that year under section 1105(a) of title 31, a future-years defense program (including associated annexes) reflecting the estimated expenditures and proposed appropriations included in the budget. Any such future-years defense program shall cover the fiscal year with respect to which the budget is submitted and at least the four succeeding fiscal years	**PPBS (Programming and Budgeting Phases)**	**Future-Years Defense Program (FYDP)**	**USD (Comptroller) & Director of PA&E**

Services				
Title/Section	**Responsibility**	**Process**	**Product**	**Lead**
Title 10	**(b)** Subject to the authority, direction, and control of the SecDef and subject to the provisions of chapter 6 of this title, the Secretary of the (Army, Navy, Air Force) is responsible for, and has the authority necessary to conduct, all affairs of the (DoA, DoN, DoAF), including the following functions: **(1)** Recruiting **(2)** Organizing **(3)** Supplying **(4)** Equipping (including research and development) **(5)** Training **(6)** Servicing **(7)** Mobilizing **(8)** Demobilizing **(9)** Administering (including the morale and welfare of personnel) **(10)** Maintaining **(11)** The construction, outfitting, and repair of military equipment **(12)** The construction, maintenance, and repair of buildings, structures, and utilities and the acquisition of real property and interests in property necessary to carry out the responsibilities specified in this section.			
Section 3013 (Army) **Section 5013 (Navy)** **Section 8013 (Air Force)**	**(c)** Subject to the authority, direction, and control of the SecDef, the Secretary of the (Army, Navy, Air Force) is responsible to the SecDef for: **(1)** the functioning and efficiency of the Department of the (DoA, DoN, DoAF); **(2)** the formulation of policies and programs by the (DoA, DoN, DoAF) that are fully consistent with national security objectives and policies established by the President or the SecDef; **(3)** the effective and timely implementation of policy, program, and budget decisions and instructions of the President or the SecDef relating to the (DoA, DoN, DoAF); **(4)** carrying out the functions of the (DoA, DoN, DoAF) so as to fulfill (to the maximum extent practicable) the current and future operational requirements of the unified and specified combatant commands; **(5)** effective cooperation and coordination between the (DoA, DoN, DoAF) and other military departments and agencies of the DoD to provide for more effective, efficient, and economical administration and to eliminate duplication; **(6)** the presentation and justification of the positions of the (DoA, DoN, DoAF) on the plans, programs, and policies of the DoD;	**PPBS**	**Program Objective Memoranda (POMs)** **Budget Estimate Submissions (BESs)** **Consideration of CINCs Integrated Priority Lists (IPLs)**	**Service Secretariats** **Service Headquarters**

Chairman of the Joint Chiefs of Staff				
Title/Section	Responsibility	Process	Product	Lead
Title 10 Section 153(a)	**(1)** Strategic Direction. Assisting the President and the SecDef in providing for the strategic direction of the armed forces.	**Joint Strategic Planning System (JSPS)** **Joint Strategy Review (JSR)**	**National Military Strategy (NMS), Joint Vision** **JSR Annual Report**	**J5** **J7** (Joint Vision Implementation)
	(2) Strategic Planning: **(A)** Preparing strategic plans, including plans which conform with resource levels projected by the SecDef to be available for the period of time for which the plans are to be effective. **(B)** Preparing joint logistic and mobility plans to support those contingency plans and recommending the assignment of logistic and responsibilities to the armed forces in accordance with those logistic and mobility plans.	**JSPS**	**Joint Strategic Capabilities Plan (JSCP)**	**J5**
			Global Family of Engagement Plans	
		Joint Operation Planning & Execution System (JOPES)	**CINCs' OPLANs and TEPs**	**J7** (Review of CINCs' Plans)
	(C) Advising the Secretary on critical deficiencies and strengths in force capabilities (including manpower, logistic, and mobility support) identified during the preparation and review of contingency plans and assessing the effect of such deficiencies and strengths on meeting national security objectives and policy and on strategic plans.	**JSPS Joint Net Assessment (JNA)**	**Quadrennial Assessment**	**J5/J8**
	(3) Contingency Planning; Preparedness: **(A)** Providing for the preparation and review of contingency plans which conform to policy guidance from the President and the SecDef.	**JSPS**	**JSCP**	**J5**
	(B) Preparing joint logistic and mobility plans to support those contingency plans and recommending the assignment of logistic and mobility responsibilities to the armed forces in accordance with those logistic and mobility plans.	**JOPES**	**CINCs' Contingency Plans**	**J7** (Review of CINCs' Plans)

Chairman of the Joint Chiefs of Staff (continued)				
Title/Section	Responsibility	Process	Product	Lead
Title 10 Section 153(a)	**(3) (C)** Advising the Secretary on critical deficiencies and strengths in force capabilities (including manpower, logistic, and mobility support) identified during the preparation and review of contingency plans and assessing the effort of such deficiencies and strengths on meeting national security objectives and policy and on strategic plans.	**JSPS**	**Joint Planning Document (JPD)**	**J5/J8**
		Joint Warfighting Capabilities Assessments (JWCA) Process	**Chairman's Program Recommendation (CPR)**	**J8**
	(D) Establishing and maintaining, after consultation with the commanders of the unified and specified combatant commands, a uniform system of evaluating the preparedness of each such command to carry out missions assigned to the command.	**Chairman's Readiness System (CRS)**	**Joint Monthly Readiness Report (JMRR)**	**J3**
	(4) Advice on Requirements, Programs, and Budget: **(A)** Advising the Secretary, under section 163(b)(2) of this title, on the priorities of the requirements identified by the commanders of the unified and specified combatant commands.	**JSPS** **JWCA Process**	**JPD** **CPR**	**J5/J8** **J8**
	(B) Advising the Secretary on the extent to which program recommendations and budget proposals of the military departments and other components of DoD for a fiscal year conform with the priorities established in strategic plans and with the priorities established for the requirements of the unified and specified combatant commands. **(C)** Submitting to the Secretary alternative program recommendations and budget proposals, within projected resource levels and guidance by the Secretary, in order to achieve greater conformance with the priorities referred to in clause (B).	**JWCA Process**	**Chairman's Program Assessment (CPA)**	**J8**
	(D) Assessing military requirements for defense acquisition programs.	**Requirements Generation System (RGS)**	**Mission Needs Statement (MNS)**	**Joint Requirement Oversight Council (JROC)**

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Title/Section	Responsibility	Process	Product	Lead
Title 10 Section 153(d)	**(1)** Not later than August 15 of each year, the Chairman shall submit to the Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives a report on the requirements of the combatant commands established under section 161 of this title. The report shall contain the following: **(A)** A consolidation of the integrated priority lists of requirements of the combatant commands. **(B)** The Chairman's views on the consolidated lists.	**JROC/JWCA**	**Consolidated IPLs**	**J8**
Title 10 Section 161	**(b) (1)** The Chairman periodically (not less often than every two years) shall: **(A)** review the missions, responsibilities (including geographic boundaries), and force structure of each combatant command; and **(B)** recommend to the President, through the SecDef, and changes to such missions, responsibilities, and force structures as may be necessary.	**JSPS**	**Unified Command Plan (UCP)**	**J5** **USD(P)**
Title 10 Section 163	**(a)** Communications through the Chairman of the Joint Chiefs of Staff and assignment of duties, the President may: **(1)** direct that communications between the President or the Secretary of Defense and the commanders of the unified and specified combatant commands be transmitted through the Chairman; and **(2)** Assign duties to the Chairman to assist the President and the Secretary of Defense in performing their command functions. **(b)** Oversight by the Chairman of the Joint Chiefs of Staff: **(1)** The Secretary of Defense may assign to the Chairman responsibility for overseeing the activities of the combatant commands. Such assignment by the Secretary to the Chairman does not confer any command authority on the Chairman and does not alter the responsibility of the commanders of the combatant commands prescribed in section 164(b)(2) of this article. **(2)** Subject to the authority, direction, and control of the Secretary of Defense, the Chairman serve as the spokesman for the commanders of the combatant commands, especially on the operational requirements of their commands. In performing such function, the Chairman shall:			

Chairman of the Joint Chiefs of Staff (continued)				
Title/Section	**Responsibility**	**Process**	**Product**	**Lead**
Title 10 Section 163 (continued)	(A) confer with and obtain recommendations from the commanders of combatant commands with respect to the requirements of their commands; (B) evaluate and integrate such information; (C) advise and make recommendations to the Secretary of Defense with respect to the requirements of the combatant commands, individually and collectively; and (D) communicate, as appropriate, the requirements of the combatant commands to other elements of the DoD.			

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Joint Requirements Oversight Council				
Title/Section	**Responsibility**	**Process**	**Product**	**Lead**
Title 10 Section 181	**(a)** Establishment. The SecDef shall establish a Joint Requirements Council (JROC) in the DoD. **(b)** Mission. In addition to other matters assigned to it by the President or SecDef, the JROC shall: **(1)** assist the Chairman of the Joint Chiefs of Staff in identifying and assessing the priority of joint military requirements (including existing and equipment) to meet the national military strategy;	**Joint Warfighting Capabilities Assessment (JWCA) Process**	**Chairman's Program Recommendation and Assessment (CPR and CPA)**	**J8**
	(2) assist the Chairman in considering alternatives to any acquisition program that has been identified to meet military requirements by evaluating the cost, schedule, and performance criteria of the program and of the identified alternatives; and **(3)** as part of its mission to assist the Chairman in assigning joint priority among existing and future programs meeting valid requirements, ensure that the assignment of such priorities conforms to and reflects resource levels projected by the SecDef through the defense planning guidance.	**Defense Acquisition System (DAS)**	**Evaluation of Acquisition Program (APB) Focus on the Key Performance Parameters (KPPs)**	
Unified Commanders				
Title/Section	**Responsibility**	**Process**	**Product**	**Lead**
Title 10 Section 164	**(b)** Responsibilities of Combatant Commanders: **(1)** The commander of a combatant command is responsible to the President and to the Secretary of Defense for the performance of missions assigned to that command by the President or by the Secretary with the approval of the President. **(2)** Subject to the direction of the President, the commander of a combatant command: **(A)** performs his duties under the authority, direction, and control of the Secretary of Defense: and **(B)** is directly responsible to the Secretary for the preparedness of the command to carry out missions assigned to the command.	**Joint Operation Planning & Execution System (JOPES)**	**CINCs' OPLANs and TEPs**	

Appendix 3
Service Resource Allocation Processes

Introduction

Purpose

The purpose of this Appendix is to provide an overview of the services' resource allocation processes used to develop their respective programs (POMs). We will focus on the planning and programming aspects of these processes with a general review of the budgeting phase in this introduction section. After a review of DoD's Planning, Programming, and Budgeting System and a general overview of the common aspects of the services' processes, we will examine some of the specific planning and programming activities of each service:

- Section A: U.S. Navy

- Section B: U.S. Marine Corps

- Section C: U.S. Army

- Section D: U.S. Air Force

- Section E: U.S. SOCOM

Review of DoD's Planning, Programming, & Budgeting System (PPBS)

The purpose of the PPBS is to provide the optimal mix of forces, equipment, and support within fiscal constraints. The output of the planning phase is the Secretary of Defense's (SecDef) guidance to the organizations within the Department of Defense (DoD) that are required to submit programs (Program Objective Memoranda—POMs). Each of the Military Departments (services), defense agencies, and U.S. Special Operations Command develop a POM that is submitted to the SecDef for review and consolidation into an overall defense program (Future-Years Defense Program—FYDP). This integrated defense program projects DoD requirements over six years. Each of the services has its own process to develop its POMs. Though each employs unique procedures and produces documents with different titles, they all have planning, programming, and budgeting phases that run concurrently with the DoD's PPBS. Figure A-3-1 provides a review of the activities included in the three phases of the PPBS.
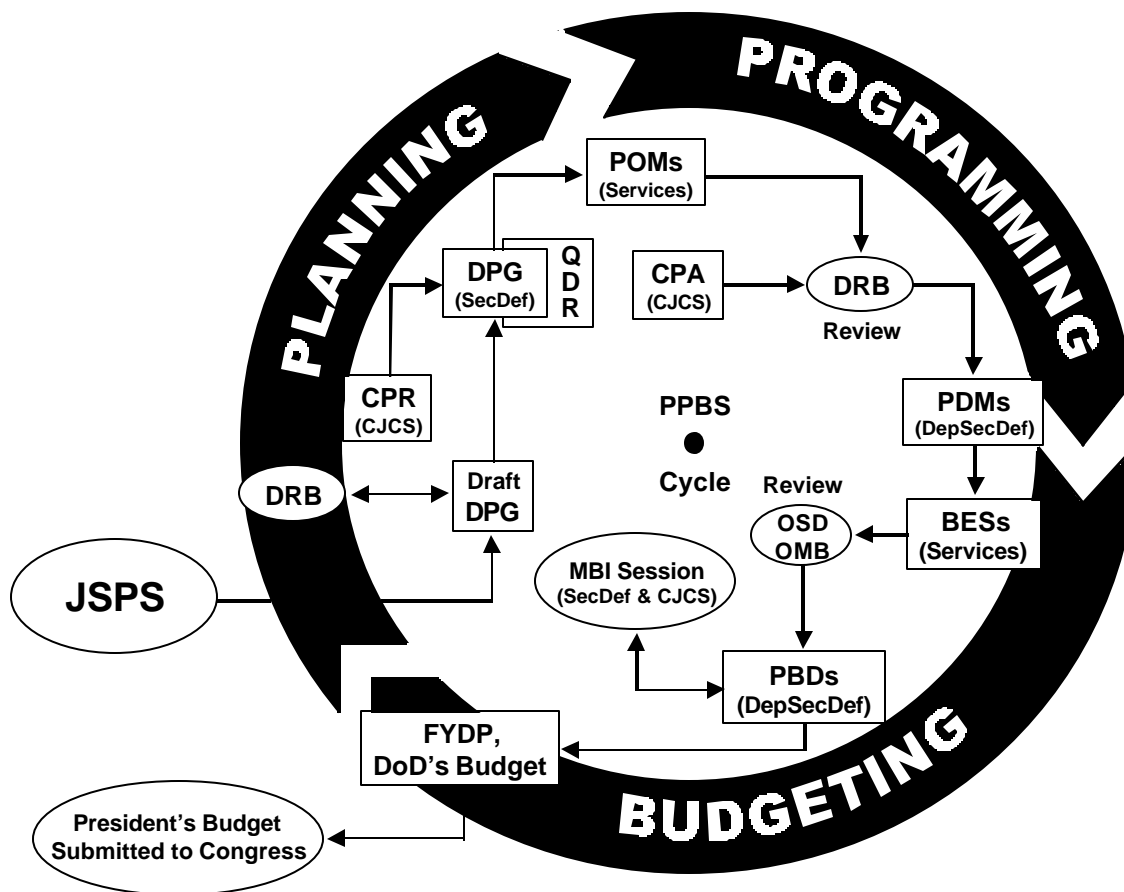
Figure A-3-1. Planning, Programming, & Budgeting System

BESs:	Budget Estimate Submissions	**JSPS:**	Joint Strategic Planning System
CJCS:	Chairman of the Joint Chiefs of Staff	**MBI:**	Major Budget Issues
CPA:	Chairman's Program Assessment	**OMB:**	Office of Budget & Management
CPR:	Chairman's Program Recommendation	**OSD:**	Office of the Secretary of Defense
DoD:	Department of Defense	**PBDs:**	Program Budget Decisions
DPG:	Defense Planning Guidance	**PDMs:**	Program Decision Memoranda
DRB:	Defense Resources Board	**POMs:**	Program Objective Memoranda
FYDP:	Future-Years Defense Program	**PPBS:**	Planning, Programming, & Budgeting System
		QDR:	Quadrennial Defense Review

General Aspects of Service Planning

The following presents the "common ground" shared by the POM development processes, and shows how they interact with other components of the resource allocation process. Figure A-3-2 illustrates the general aspect of the planning phase of POM development.
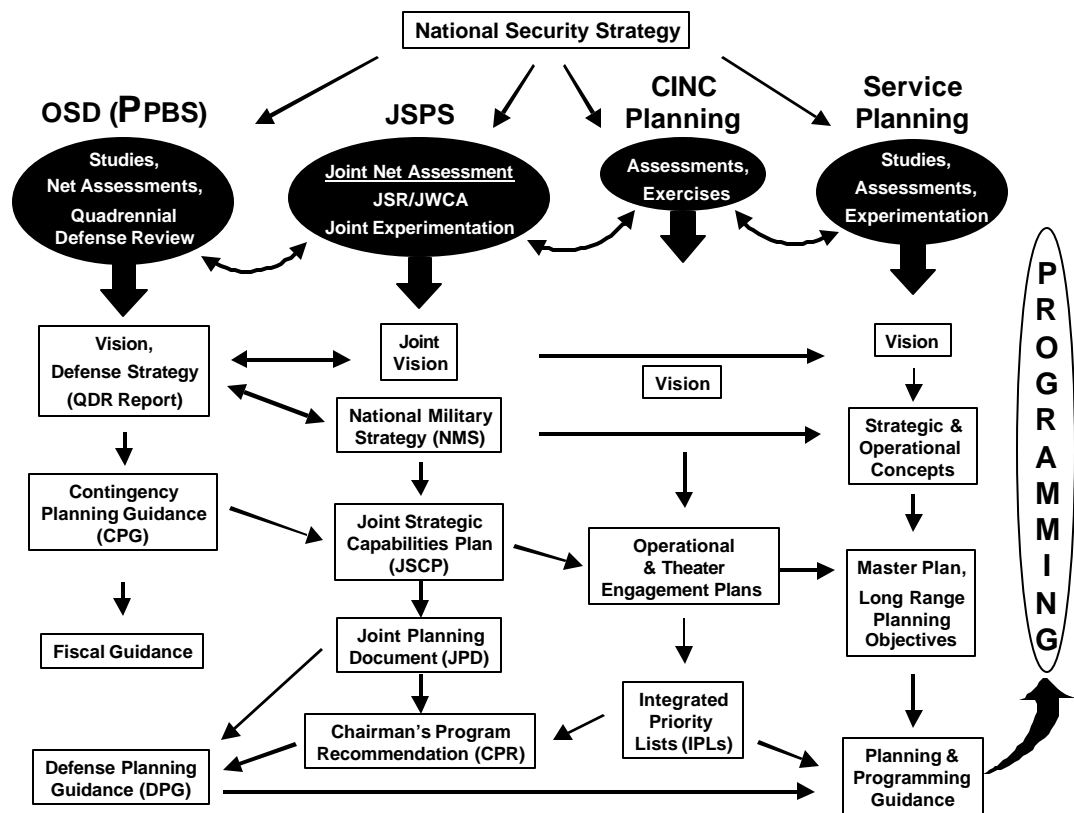
Figure A-3-2. Planning Phase Interaction

Figure A-3-2 indicates the planning progresses from the top to the bottom of the diagram. This is generally true, but you should realize that planning throughout DoD is a continuous, iterative process. It is also important to note that there is significant interaction and concurrency among the various organizations and planning processes.

General Aspects of Service Programming

An output of the planning effort is guidance that translates vision, current strategy, operational concepts, and planning objectives into a balanced DoD program that will field the forces and capabilities necessary to meet near-term requirements and prepare for long-term objectives. The SecDef's guidance comes out as the Defense Planning Guidance and the service secretaries and service chiefs issue more specific guidance to their service programmers. This guidance commences the programming effort that adjusts the service programs to meet the stated priorities. Figure A-3-3 shows the general aspects of these programming efforts.
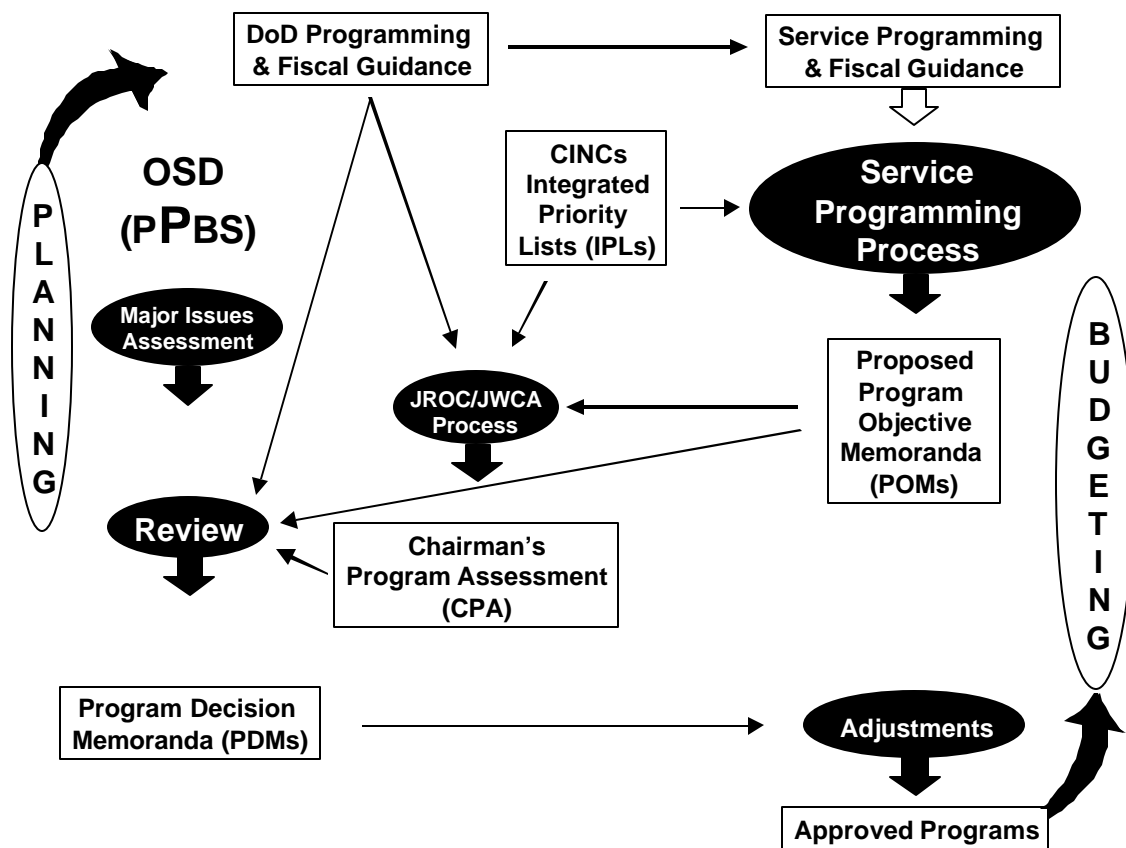
Figure A-3-3. Programming Phase Interaction

General Aspects of Service Budgeting

The outcome of the programming phase is approved service programs. In the budgeting phase of the process, the services convert the first two years of these program decisions into budget estimates that are submitted for SecDef review and approval. Once the services closely examine their approved programs for consistency, accuracy, and feasibility, they convert the programs into the budget data used by Congress for authorization and appropriations. Figure A-3-4 illustrates the general aspect of DoD's budgeting activities.
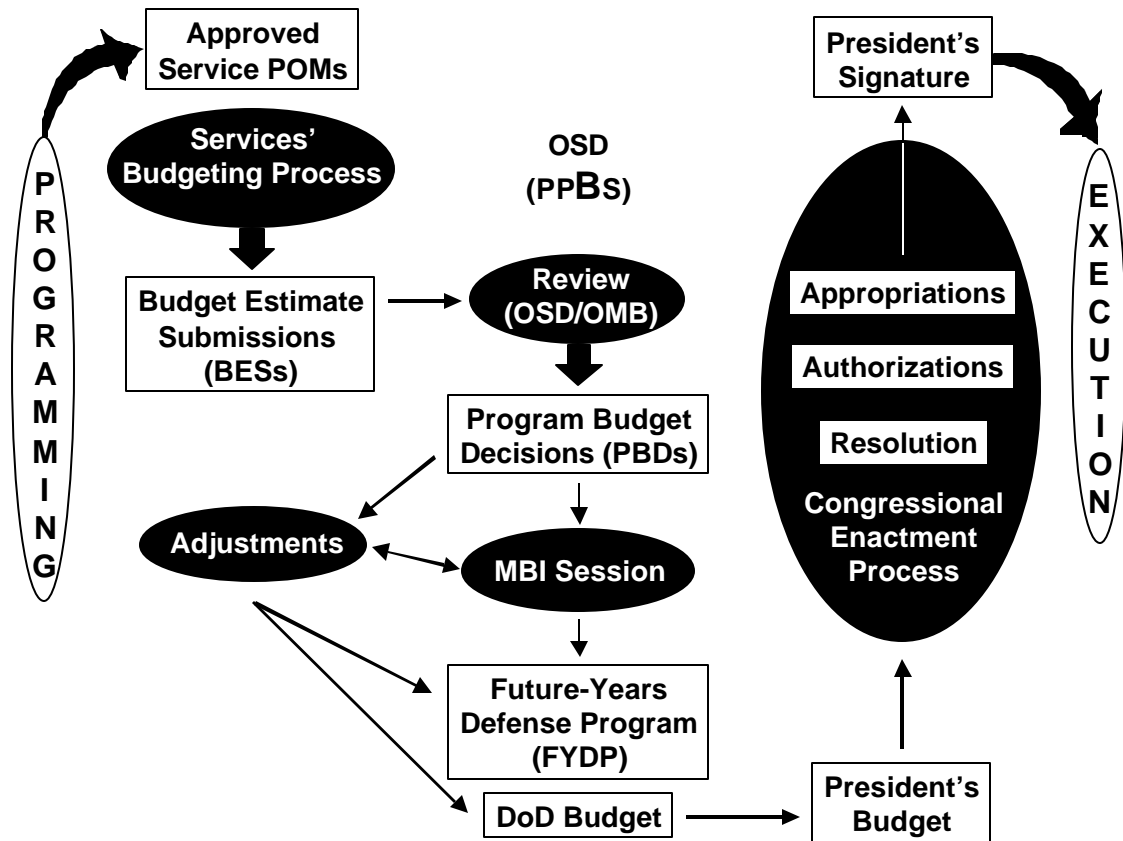
Figure A-3-4. Budgeting Phase Interaction

Before you proceed to the individual services' resource allocation processes, keep in mind that the PPBS is a cyclic process, and each year's program development is largely based on the efforts of the previous years of planning and programming. The services are closely involved in all aspects of resource planning and have a strong sense of forthcoming guidance. This allows them to do much of their programming and budgeting work in advance of "official" guidance.

Section A
U.S. Navy

The U.S. Navy refers to its resource allocation process as the Navy's Planning, Programming, and Budgeting System (PPBS).[1] It follows the same procedural concepts that underpin DoD's PPBS. This system functions to define the Naval missions that support the National Security Strategy and National Military Strategy, identify the needs to accomplish these missions, and allocate the resources to meet those needs. It produces a realistic and responsible department-wide plan and a viable budget to support that plan.

In August 2000, the Chief of Naval Operations (CNO) announced a realignment of the OPNAV[2] staff in order to better define and meet Navy requirements. The major effect of the realignment on Navy resource allocation focuses on separating requirements from resources to generate beneficial friction in the Navy PPBS process. It also established an OPNAV organization with a Navy-wide corporate perspective, which provides independent analysis and advice to the CNO/Vice CNO (VCNO). Central to the Navy's resource allocation process are two OPNAV organizations, Warfare Requirements and Programs Directorate (N7) and the Resources, Requirements, and Assessments Directorate (N8). Figure A-3-5 shows the organization of N7 and figure A-3-6 shows the organization of N8.
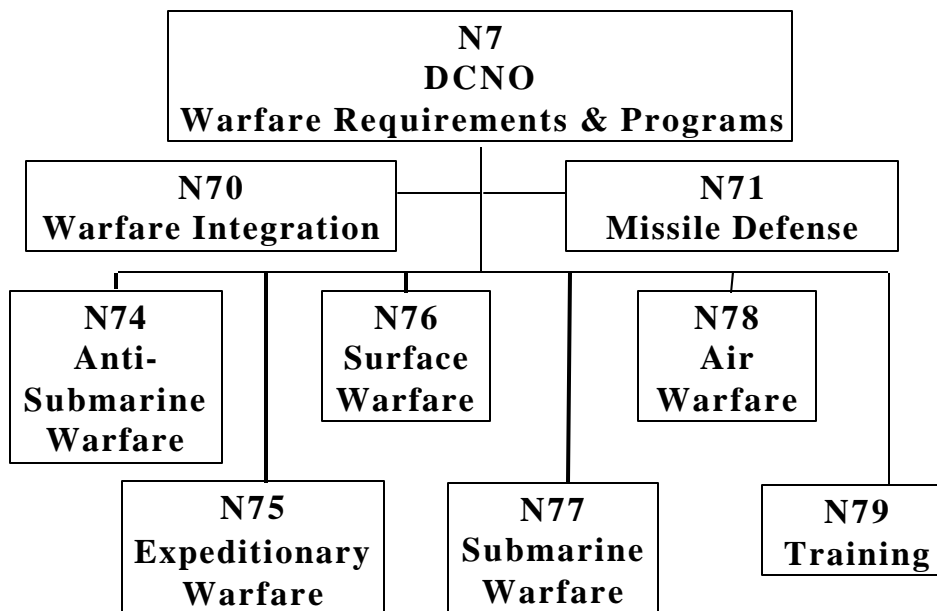
Figure A-3-5. N7 Warfare Requirements and Programs Directorate

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[1] The Navy is currently implementing changes to its process for allocating resources. The information presented in this section was collected from various briefs and interviews. Additional information may be obtained from the Navy Headquarters site http://www.hq.navy.mil or from the N80 PPBS tutorial located at http:/www/hq.navy.mil/cno/n8/n80.

[2] OPNAV is the acronym used for the Chief of Naval Operations' when referring to his Staff.

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                    │                   N8                      │
                    │                  DCNO                     │
                    │   Resources, Requirements & Assessments   │
                    └─────────────────────────────────────────┘
                    ┌─────────┐
                    │ N8QDR   │
                    └─────────┘
        ┌──────────────┐   ┌──────────────┐   ┌──────────────┐
        │     N80      │   │     N81      │   │     N82      │
        │ Programming  │   │ Assessments  │   │   Fiscal     │
        │              │   │              │   │ Management   │
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                  ┌──────────┐      ┌──────────┐
                  │   N83    │      │   N89    │
                  │  CINC    │      │ Special  │
                  │ Liaison  │      │ Programs │
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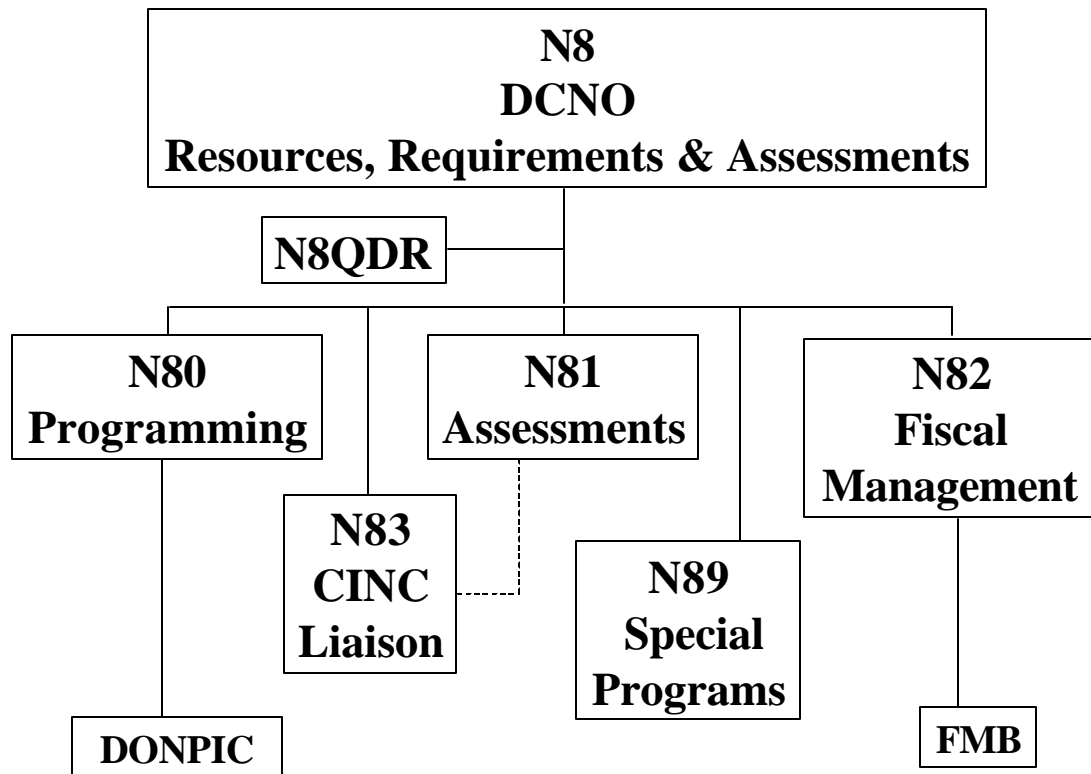
Figure A-3-6. N8 Resources, Requirements, and Assessments Directorate

During the planning phase, N81 works in conjunction with N3/N5 (Plans, Policy, and Operations Directorate), N7, the Department of the Navy's (DoN's) Office of Program Appraisal, and the Marine Corps' Deputy Commandant, Policy, and Operations to develop programming guidance. N7 also submits program proposals to N8 for Navy's POM development. N80 coordinates the programming effort with the resource sponsors (N71, N61, N74, N75, N76, N77, N78, and N79). N82 is involved with the programming effort to ensure the recommended program falls within fiscal constraints (the Navy's Total Obligational Authority – TOA). During the budgeting phase, N82 works with DoN's Comptroller to develop budget estimates and adjust the budget as necessary during DoD's budget review process.

Navy Planning

The purpose of Navy planning is to assess the strategic and resource environments, develop Integrated Warfare Architectures (IWARs), and develop strategy and policy for force planning guidance. The output of this planning effort is guidance for program development. The general aspect of the Navy planning activities is shown in Figure A-3-7.

National Security Strategy

OSD (PPBS)
- Studies, Net Assessments, Quadrennial Defense Review

JSPS
- Joint Net Assessment
- JSR/JWCA
- Joint Experimentation

CINC Planning
- Assessments, Exercises

Navy Planning
- Studies, Assessments, Experimentation

- Vision, Defense Strategy (QDR Report)
- Joint Vision
- Forward... From The Sea
- Vision
- National Military Strategy (NMS)
- Naval Strategic & Operational Concepts
- Contingency Planning Guidance (CPG)
- Joint Strategic Capabilities Plan (JSCP)
- Operational Plans & Theater Engagement Plans (TEPs)
- SecNav / CNO Planning Guidance, Long-Range Planning Objectives (LRPO)
- Fiscal Guidance
- Joint Planning Document (JPD)
- Integrated Warfare Architectures (IWARs)
- Chairman's Program Recommendation (CPR)
- Integrated Priority Lists (IPLs)
- CNO Program Assessment Memorandum (CPAM)
- Defense Planning Guidance (DPG)

PROGRAMMING

Figure A-3-7. Navy Planning Activities

Navy planning has developed the strategic naval concept, "Forward…From the Sea." This concept is intended to transition the Naval Service (Navy and Marine Corps) into the 21st Century. From this strategic vision and subordinate operational concepts, the Chief of Naval Operations (CNO) develops his Strategic Planning Guidance (CSPG) and Long Range Planning Objectives (LRPOs). These concepts connect to the naval capabilities needed to achieve strategic and operational objectives. The Integrated Warfare Architecture (IWAR) is developed from the strategic vision, CSPG, and LRPO. The IWAR has the following characteristics:

- Focuses on warfare capabilities versus systems or platforms

    - Cost constrained (stays within the Navy's TOA)

    - Provides linkage across the Navy's strategic vision, threat assessment, and programs

    - Translates vision into guidance for acquisition

    - Provides the foundation for resource decisions

The IWAR structure is illustrated in Figure A-3-8. The architecture is comprised of five warfare areas: Sea Dominance, Power Projection, Deterrence, Air Dominance, and Information Superiority. Each warfare IWARs is supported by seven support IWARs: Sustainment, Infrastructure, Manpower and Personnel, Readiness, Training and Education, Technology, and Force Structure.
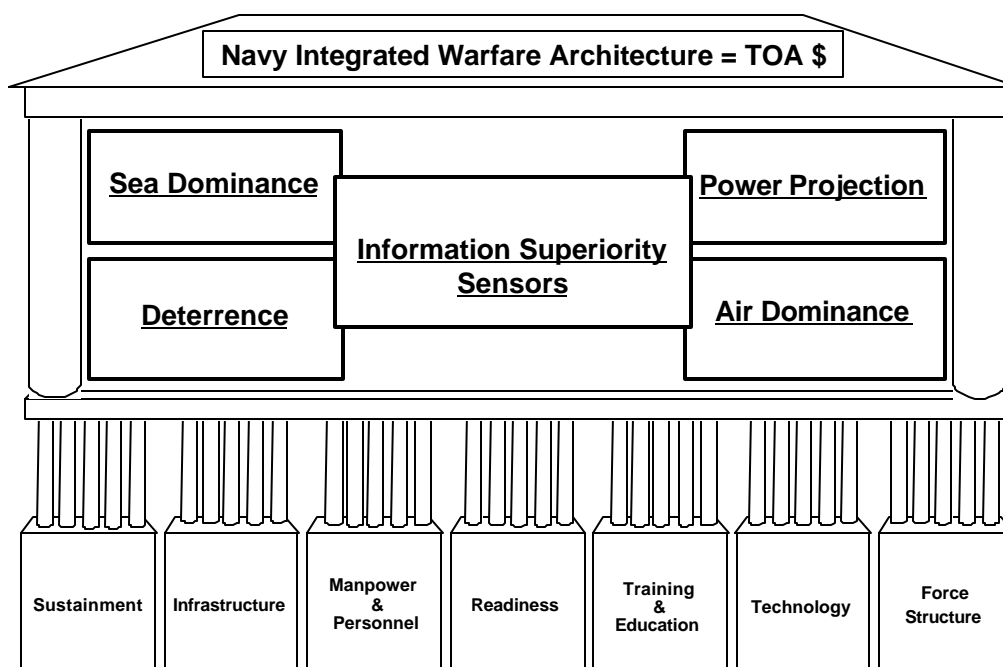
Figure A-3-8. Navy Integrated Warfare Architecture Structure

Core working groups from N81 assess each of the five warfare areas and the seven support areas. Other personnel from throughout the Navy Staff and other Navy and Marine Corps organizations augment these core groups. The integrated team approach allows for broad and comprehensive capability analysis of each warfare and support area. The results of these assessments are published in CNO Program Analysis Memoranda (CPAMs), one for each of the twelve IWARs. These CPAMs provide a balanced program across their specific capability areas. N81 assesses and consolidates the twelve CPAMs into an integrated program, ensuring it is balanced across the entire architecture and is within the Navy's TOA. N81 identifies the trade-offs, develops alternatives within the program, and forwards this integrated program as the Summary CPAM to the Navy Resources Board[3]. Figure A-3-9 shows the CNO/VCNO – led decision making process.

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[3] N70 is also involved in assessing and integrating Battle Force capabilities across warfare areas and platforms. Since this organization is still under development, additional information will be posted on the Navy Headquarters website as it becomes available.

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              ┊      │ Executive Board │      ┊
              ┊      │      (CEB)      │      ┊
              ┊      │     (CNO)       │      ┊
              ┊      └─────────────────┘      ┊
              ┊           ▲                   ┊
  ┌──────────────────┐    ┊         ┌──────────────────┐
  │   Integrated     │    ┊         │ Navy Requirements│
  │ Resources Review │    ┊         │ Oversight Council│
  │  Board (IR2B)    │    ┊         │     (NROC)       │
  │    (N8/P&R)      │    ┊         │     (VCNO)       │
  └──────────────────┘    ┊         └──────────────────┘
          ▲               ┊                  ▲
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  │   Navy Review    │────┘         │   Navy Review    │
  │   Board (NRB)    │              │   Board (NRB)    │
  │     (N80)        │              │     (N81)        │
  └──────────────────┘              └──────────────────┘
          ▲                                  ▲
  ┌──────────────────┐              ┌──────────────────┐
  │ Resources/Policy │              │   Requirements   │
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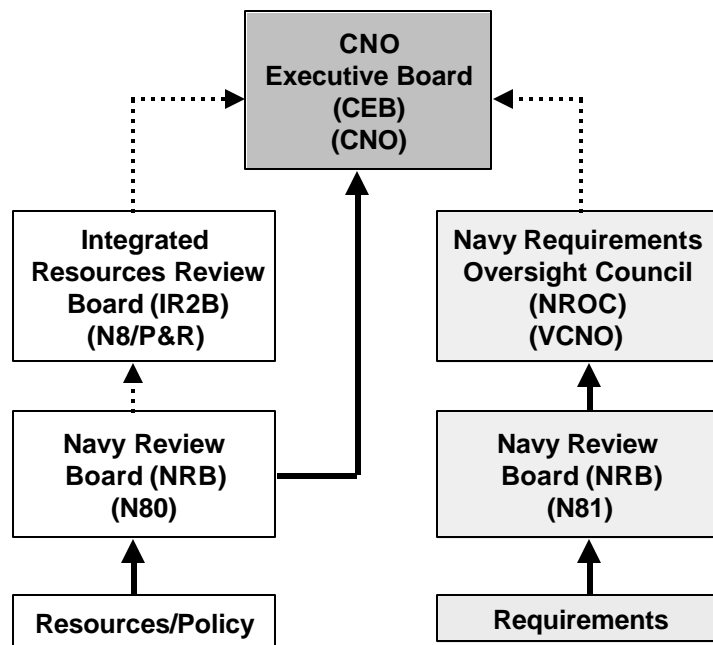
Figure A-3-9. CNO/VCNO-led Decision Making Process

- CEB: CNO Executive Board provides an orderly coherent flow of information and advice to CNO/VCNO for decisions on key issues.

- NROC: Navy Requirements Oversight Council reviews requirements (warfare, support & readiness) issues of Navy equity; provide oversight on JROC related issues of importance to the Navy.

- IR2B/R2B: Integrated Resource Review Board/ Resource Review Board is the focal point for reviewing resource issues in PPBS. Forum for DON-related PPBS issues. The Resources Review Board is the same as the IR2B without Assistant SecNav and Marine Corps representatives in attendance.

- NRB: Navy Review Board is a two star board for reviewing resource (N80 chair) or requirements (N81 chair) issues prior to 3 or 4 star forum.

Navy Requirements Generation & Resource Planning[4]

Beginning with the POM-04 build, CNO approved a modification to the Navy's PPBS to focus on capability-driven warfighting requirements. This modification places increased emphasis on capabilities required for delivery on a Battle Force vice Platform level. It also provides the Navy with an enhanced ability to better communicate a long-term warfighting vision with attendant procurement, force structure, and capability via application of analysis both within and beyond

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[4] CNO, Alignment and Responsibility of Navy Requirements Generation and Resource Planning, OPNAVINST 3050.23, 5 Nov 2001. This CNO instruction outlines the modifications to the Navy's PPBS as described in this paragraph.

programming Fiscal Year Defense Plans (FYDPs). To accomplish this modification DCNO (N7) has been tasked with establishing the Battle Force Capability Assessment and Programming Process (BCAPP). Under BCAPP, force programs will be defined in terms of application to mission capabilities and grouped into associated mission capabilities packages (MCPs). MCPs serve as the primary mechanism used to identify the current baseline of capabilities and to accurately forecast capability evolution based on defined assumptions. They also constitute the elements to assist in planning and programming integrated systems capabilities as identified in Joint and Navy strategies.

Integration across MCPs will be assessed through the development of an affordable long-range naval warfare Integrated Strategic Capability Plan (ISCP) that will become the Navy's "warfare investment strategy" for programming operational capabilities. This document will be developed by DCNO (N7) and presented through the NROC and CEB prior to the start of the CNO Program Analysis Memorandum (CPAM) deliberations to promote like assumptions and commonality in the warfighting investment strategy.

Navy Programming

The purpose of Navy programming activities is to translate the capability architecture developed during the planning phase into definitive programs. N80 manages the programming effort with assistance from N81 (program assessment) and N82 (fiscal management). The SecDef's Defense Planning Guidance and Fiscal Guidance are translated and refined into more specific guidance from Navy senior leadership, through N80 and N7 to the resource sponsors (N74: Anti-submarine Warfare, N75: Expeditionary Warfare, N76: Surface Warfare, N77: Submarine Warfare, N78: Air Warfare, and N79: Naval Training and Education). The resource sponsors develop Sponsor Program Proposals (SPPs) that support Navy objectives, address the needs of the unified commanders (Integrated Priority Lists) and the Navy claimants (Navy CINCs), and are within their shares of the Navy TOA.

The Director, Warfare Integration and Assessments (N70) will coordinate inputs from the Capability Sponsors (N70: Theater Air Missile Defense [TAMD]; N70: Time Critical Targeting [TCT]; N70: Homeland Security; N096: Navigation; N74: Undersea Warfare [USW]; N2: Intelligence, Surveillance, and Reconnaissance [ISR]; and N61 Battle Force Command and Control [BFC2]) and the Resource Sponsors, MCPs (in the form of the ISCP) and SPPs respectively, to develop the Integrated Sponsor Program Proposal (ISPP). The ISPP will be approved by DCNO (N7) and presented to DCNO (N8) as a consolidated programming proposal that will integrate all N& warfare areas within a specific Program Review (PR) or Program Objective Memorandum (POM) build with incorporation of guidance issued and balanced within DCNO (N8) controls. The PR or POM build is forwarded to the NRB for further review and adjustment. The CNO Executive Board (CEB) conducts the next review before the CNO and CMC make their decisions that lead to the Tentative POM (T-POM). The Department of the Navy (DoN) Program Strategy Board (DPSB) conducts a final review before the SecNav approves and forwards the Navy's POM to the SecDef. Figure A-3-10 shows some of the specifics of the Navy programming activities.

N7 (ISCP) & N80, N81, N82,
IWARs Output of
Planning Phase

Programming & Fiscal Guidance

Sponsor Program Proposals (SPPs)

ISSP

Resource Sponsors
N70, N71, N75, N76,
N77, N78, N79,
N61

Post SPP Assessments

N7, N80

Marine Corps' T-POM

Internal Review & Decisions

T-POM

Navy Review Board (NRB)
CNO Executive Board (CEB)

DoN Program Strategy Board
(DPSB)

SecNav Review & Decisions

DoN POM to SecDef

N83 provides liaison between Fleet Commanders and OPNAV Staff.
Coordinates the Component Commander Issue Papers, which communicate
the Fleet Commanders' priority program and budget requirements.

Figure A-3-10. Navy Programming Activities

Refer to Figure A-3-3 on page A-3-4 to review how the Navy's programming activities interact within DoD's Programming Phase of the PPBS.

Section B
U.S. Marine Corps

Marine Corps Planning

Marine Corps planning proceeds from the strategic naval concept, "Forward…From the Sea." Derived from this strategic concept is the operational concept, Operational Maneuver From the Sea (OMFTS). With these as a foundation, the Commandant of the Marine Corps develops his planning guidance (Commandant's Planning Guidance - CPG) that provides strategic direction for the Corps. The CPG is the basis for developing the Marine Corps Master Plan (MCMP) that provides:

- Long-range concepts, capabilities, and goals considered essential to accomplish the Marine Corps' mission 20-30 years into the future.

- Mid-range direction (2-10 years out) for developing programs and budgets.

The MCMP articulates the Marine Corps' operational requirements in the areas of doctrine, organization, training and education, equipment, and facilities and support. This plan directly links operational planning to programming for new equipment and weapon systems initiatives. The MCMP guides the programming and budgeting of the PPBS in order to achieve the forces and capabilities required by the Fleet Marine Forces.

The Marine Corps uses the Combat Development Process (CDP) to determine battlefield requirements and provide the resources necessary to produce combat ready Marine Air-Ground Task Forces (MAGTFs).[5] One of the key components of the CDP is the Concept Based Requirements System (CBRS) that develops operational, functional, and tactical concepts that lead to the development of combat capabilities. It employs a planned approach that compares current doctrine, tactics, techniques, procedures, equipment, and support to national policy and strategy, and projections of future threats and technological advances. In addition to the Commandant's Planning Guidance and the MCMP, guidance for combat development comes from various DoD documents such as the National Military Strategy, Joint Vision, and the Defense Planning Guidance.

During each planning, programming, and budgeting cycle, this planning effort is distilled into specific programming guidance that is used to develop the current POM.

The general aspect of the U.S. Marine Corps planning activities is shown in Figure A-3-11.

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[5] U.S. Marine Corps, *Marine Corps Combat Development Process (CDP)*, MCO P3900.15 (Washington, DC: 10 May 1993, http://www.usmc.mil/directiv.nsf/web+orders). This Marine Corps Order establishes the Combat Development Process employed by the Marine Corps to identify, obtain, and support necessary combat capabilities.
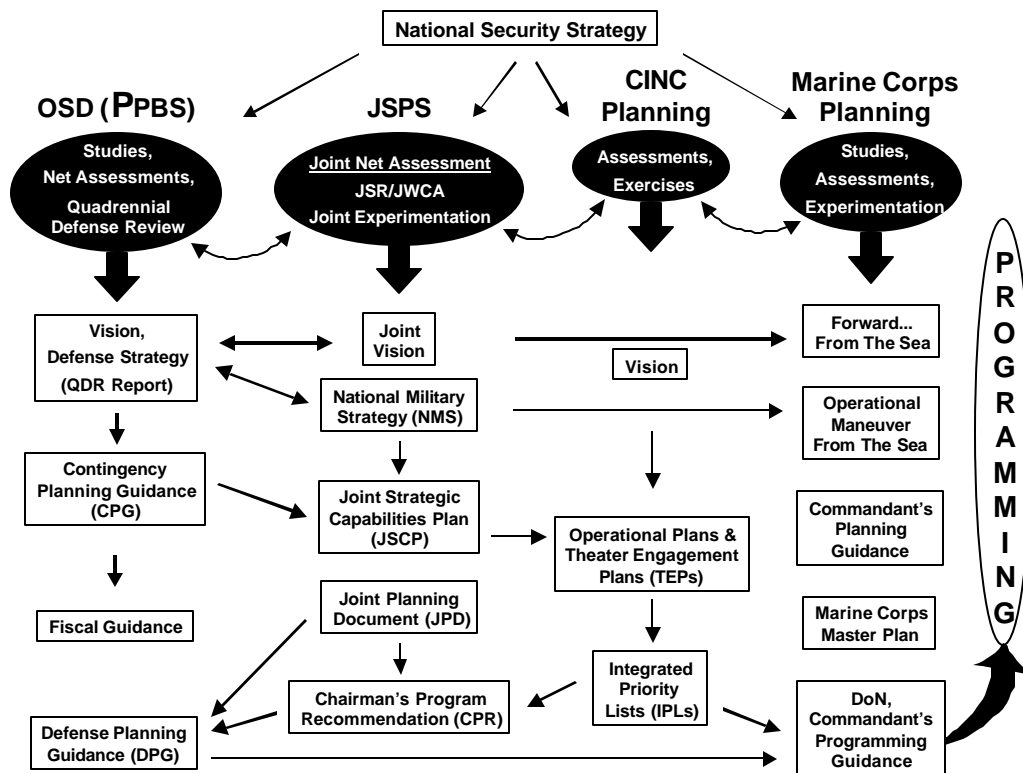
Figure A-3-11. Marine Corps Planning Activities

Marine Corps Programming

The unique status as one of two services within one Military Department is significant in shaping the Marine Corps' resource allocation process. The Marine Corps POM is incorporated into the DoN POM.

The Marine Corps' resource allocation process is closely tied to that of the Navy. The Navy is given a Total Obligational Authority (TOA) or "topline" in the SecDef's Fiscal Guidance that is then allocated between the Navy and the Marine Corps. Currently the Marine Corps receives approximately 14% of the total Navy TOA. This 14% is termed "green dollars" and is left up to the Marine Corps to allocate for its programs. Other Navy funds support Marine aviation and certain amphibious programs ("blue-in-support-of-green"). These dollars constitute another 6% of the Navy's TOA. Certain portions of the Navy's TOA are programmed unilaterally (Navy: blue dollars, and Marine Corps: green dollars). Other portions are programmed jointly (blue-in-support-of-green). The Marine Corps does not ignore blue dollars because a significant amount goes toward programs that have direct impact on the Corps, such as amphibious shipping and landing craft. The practical effect of these split responsibilities is that the Marine Corps programming decisions are constantly being made in two different, interactive processes. Close and continuous coordination throughout the development of programs and budgets is critical. In the end, the Secretary of the Navy submits one consolidated POM to the Secretary of Defense.

Once the Marine Corps' TOA is determined, the Deputy Commandant for Programs and Resources determines the core funding level. This identifies programs that do not require re-

evaluation during each POM cycle, such as manpower costs, stable investments, and other "cost-of-doing-business" programs (the "above core" portion of the TOA could be considered the Marine Corps' discretionary spending). Once the core is established and top-down guidance is provided, a series of programming forums assess new initiatives and refine recommendations.

At the front end of this progression, the Program Evaluation Groups (PEGs) begin assessing the benefit of "above-core" initiatives and issues. There are six PEGs, five of which are organized by appropriation categories: (the sixth PEG deals with "blue-in-support-of-green" programs)

- Manpower (Personnel)

- Operations and Maintenance

- Investment (Research & Development and Procurement)

- Family Housing

- Military Construction

The PEGs collect initiatives from the operational forces, the Marine Corps Warfighting Lab, and other organizations. The PEGs evaluate these initiatives against prioritized requirements lists generated by the Concept-Based Requirements System (CBRS). The PEGs do their work without fiscal constraints; it is not their responsibility to forward fiscally compliant recommendations. They consider the full range of initiatives and prioritize them in terms of benefit to the overall mission. Each of the PEGs forwards a prioritized list of programs (specific to their appropriation category) to the POM Working Group (PWG).

The PWG consolidates, assesses, and prioritizes the recommendations from the PEGs. Unlike the PEGs, the PWG must consider affordability and produce a recommended program that is within the Marine Corps' TOA.

The PWG forwards its recommendations to the Marine Corps' Program Review Group (PRG). The PRG reviews program issues identified by the PWG and resolves all but the major issues. Once the PRG has ensured that the program is balanced, it forwards the recommended program to the Marine Requirements Oversight Council (MROC) that is chaired by the Assistant Commandant. Once approved, the MROC briefs the program to the Commandant and with his approval, the Marine Corps POM is delivered to SecNav for approval and inclusion in the DoN POM .

The process described above functions to translate the broader choices made during the planning phase, into detailed packages of capability objectives that are balanced and fiscally achievable (the Marine Corps' POM). Figure A-3-12 summarizes the Marine Corps' programming process.
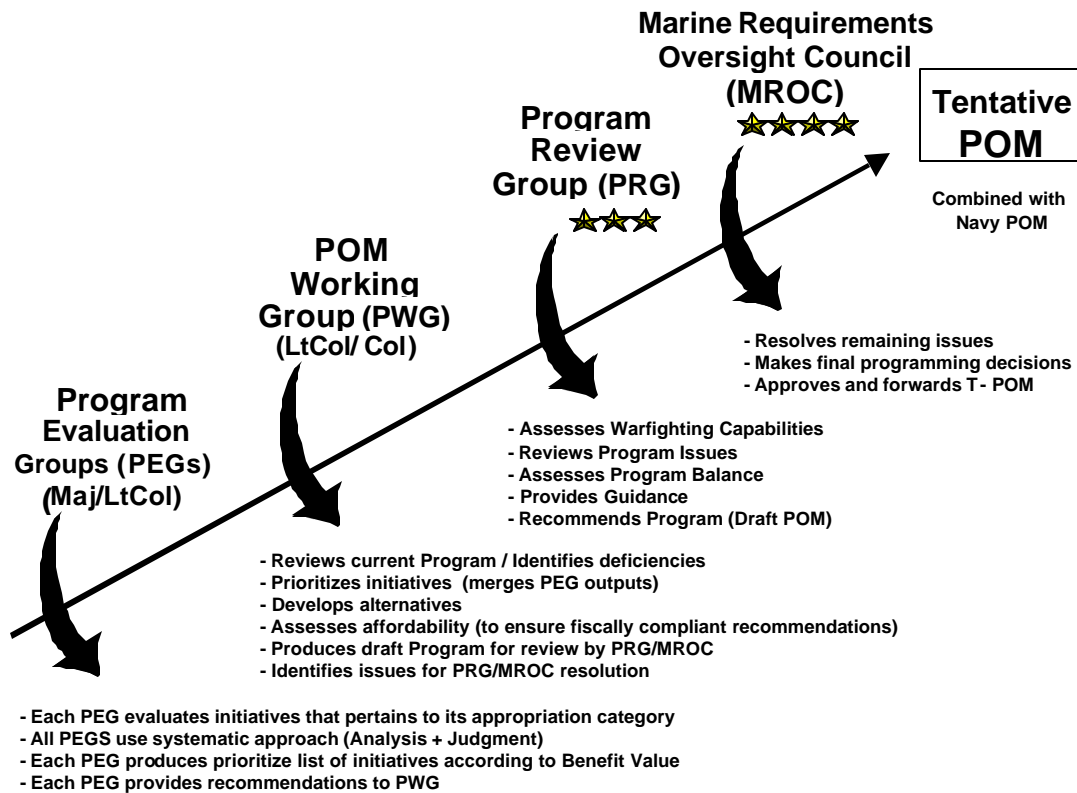
Figure A-3-12. Marine Corps Programming Activities

Refer to Figure A-3-10 on page A-3-12 to review how the Marine Corps' Tentative POM is incorporated into the DoN POM.

Section C
U.S. Army

The U.S. Army's Planning, Programming, Budgeting, and Execution System (PPBES) develops and maintains the Army portion of the defense program and budget.[6] The PPBES is designed to build a detailed and balanced plan in which the Army budget flows from programs, programs from requirements, requirements from missions, and missions from the national security objectives. The Assistant Secretary of the Army (Financial Management and Comptroller) oversees the PPBES.

Army Planning

The Deputy Chief of Staff of Operation and Plans manages the planning phase of the PPBES through the Army Planning System (APS). The output of the APS is The Army Plan (TAP) that contains guidance for program and budget development. The TAP is developed in three stand-alone sections:

- The Army Strategic Planning Guidance (Section I). The ASPG relates Army planning to national, OSD, and Joint strategic guidance. It also amplifies the vision for the future Army (currently articulated in Army Vision 2010) and helps translate this vision into tangible goals and strategies to obtain the capabilities to meet future requirements. The planning window of the ASPG is 25 years.

- The Army's Planning Guidance (Section II). The APG provides guidance for the development of capabilities-based mission and functional plans and the allocation of resources to carry out these plans. The APG covers a mid-term planning window of the next six-year program (POM) plus ten additional years.

- The Army's Planning Guidance Memorandum (Section III). The APGM relates operational tasks and their associated resources to Army Title 10 functions. The APGM addresses the near-term planning window and provides guidance for the development of the upcoming POM.

The senior Army leadership develops The Army Plan in conjunction with the output from the Requirements Determination Process (RPD) that determines and prioritizes battlefield capabilities required by the Army. Based on this determination the Army Modernization Plan (AMP) outlines the vision for modernizing the future force and a strategy for near-to-midterm force development and long-term evolution. The AMP provides the foundation for developing the Army's Research, Development, and Acquisition Plan (RDAP).

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[6] *How the Army Runs: A Senior Leader Reference Handbook* (2001-2002), (Carlisle Barracks, PA: U.S. Army War College, 15 May 2001, Chapter 9). This publication is available On the Army War College website: http://carlisle-www.army. mil/usawc).

The RDAP is a fifteen-year plan for developing and producing technologies and materiel to support Army modernization. This plan converts material requirements from an unconstrained planning environment to a balanced program that is both technically and fiscally achievable. The general aspect of the U.S. Army planning activities is shown in Figure A-3-13.
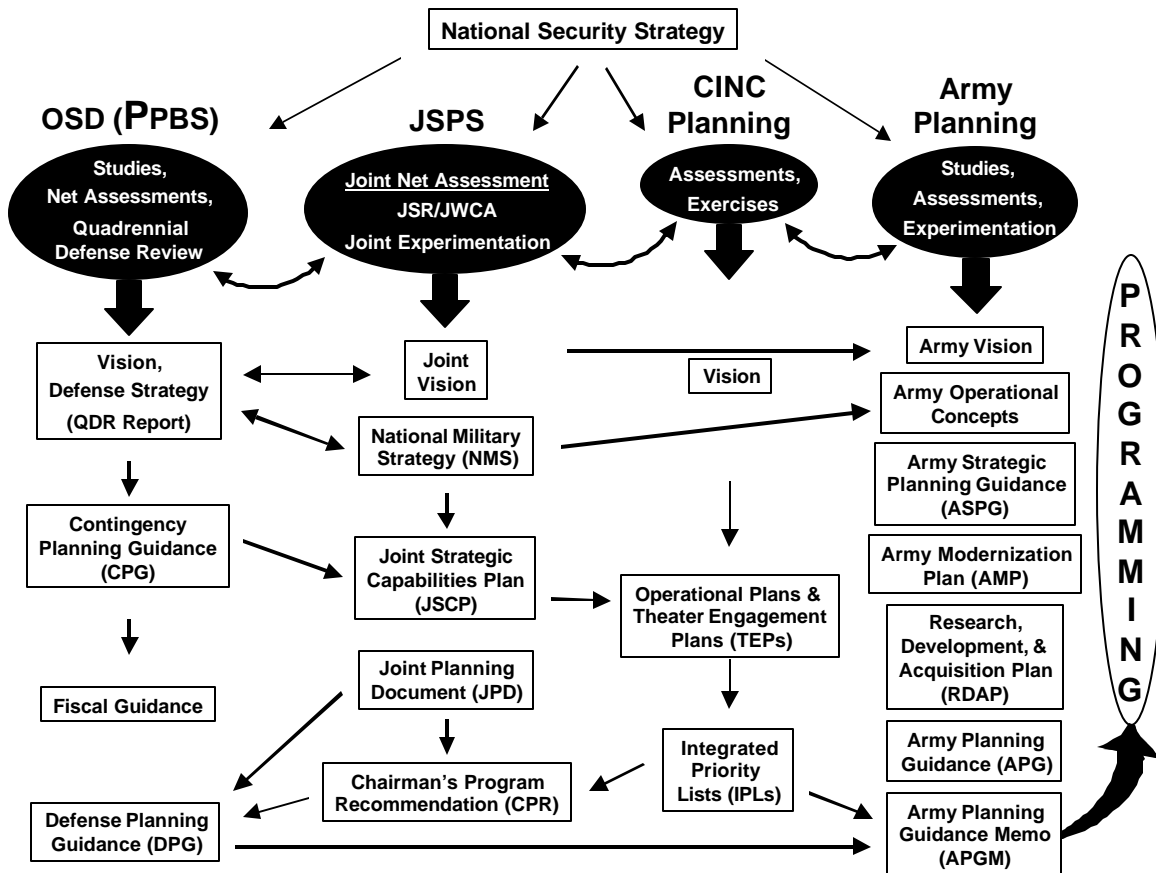
Figure A-3-13. Army Planning Activities

Army Integrated Programming and Budgeting

The Assistant Secretary of the Army for Financial Management and Comptroller (ASA [FM&C]) and the Army's Director of Program Analysis and Evaluation (DPAE) jointly manage the integrated programming and budgeting phase of the PPBES. This phase translates planning decisions from senior leadership and requirements stated by operating commands and acquisition managers into a comprehensive allocation of forces, manpower, and funds. The budget managers work closely with the programmers to ensure program decision are properly costed and can be defended during budget reviews. This integrated process uses a series of programming and budgeting forums where program initiatives are assessed and recommendations are refined through a progressive level of officers with functional area expertise upward through the Army's senior leadership. As the emerging program proceeds through this process, each forum applies the guidance published in TAP. The ASA (FM&C) and the DPAE also provide the Secretary of the

Army (SA) and the Chief of Staff of the Army (CSA) with independent assessments of program alternatives and priorities.

The Army uses Management Decision Packages (MDEPs) as a management tool to define program requirements by mission, function, or other program objectives. The MDEPs describe the capabilities programmed over a nine-year period. Collectively, the MDEPs account for all Army resources. Each of the MDEPs is assigned to one of the six Program Evaluation Groups (PEGs) and each PEG is responsible to manage its assigned MDEPs. The six PEGs are aligned to Title 10 functions: Manning, Training, Organizing, Equipping, Sustaining, and Installations.

The Major Army Commands (MACOMs) and acquisition program managers develop and submit programs that are first reviewed by the PEGs. The PEGs' assessments include consideration of:

- The guidance provided in TAP

- The unified commands' Integrated Priority Lists

- TOA guidance

- Assigned MDEPs

- New initiatives

Based on these assessments, the PEGs build programs for their assigned Title 10 function, ensuring the programs are balanced, executable over time, and affordable.

The Planning Program Budget Committee (PPBC) is co-chaired by the Assistant Deputy Chief of Staff for Operations and Plans (ADCSOPS), DPAE, and the Deputy Assistant Secretary of the Army for Budget (each presiding depending on the issue under consideration). The PPBC provides a continuing forum in which program and budget managers review, adjust, and recommend courses of action on relevant issues. This forum is supported by the Council of Colonels that packages proposals, frames issues, and coordinates matters that come before the PPBC. The PPBC reviews the programs forwarded from the PEGs, makes adjustments, and forwards its recommendations to the Senior Review Group (SRG) or Army Resources Board (ARB) for their review and approval.

When the PPBC is unable to resolve issues involving unresourced programs or proposes trade-offs that result in program decrements, these issued are reviewed and resolved by the Senior Review Group (SRG), co-chaired by the Under Secretary of the Army and the Vice Chief of Staff of the Army. The SRG serves as the central council for coordinating Army policy, PPBES, and other issues requiring ARB action. The SRG provides recommendations to the ARB regarding prioritization of program and resource allocation alternatives.

The ARB, as the Army's senior resources forum, reviews the recommended program, resolves the remaining issues, and forwards the Army's POM and budget submission to OSD for review. The Secretary of the Army chairs the ARB. The Chief of Staff of the Army is the vice-chairman. Figure A-3-14 summarizes the Army's integrated programming and budgeting process.

The Army Plan (TAP)

Army Resources Board (ARB)
- Chaired by the SA & CSA
- Approves prioritization of programs
- Selects alternatives for allocating resources
- Approves TAP
- Approves POM
- Approves budget submissions

Senior Review Group (SRG)
- Reviews & resolves unresourced program issues
- Reviews & resolves PPBC proposed trade-offs
- Makes recommendations to ARB:
  - Prioritization of programs
  - Resource alternatives
  - Final TAP, POM, & budget

Planning Program Budget Committee (PPBC)
- Reviews the PEGs' recommendations
- Discusses & resolves issues
- Ensures adjustments remain consistent with policy & priorities
- May establish standing working groups to resolve difficult issues

Council of Colonels
- Packages proposals
- Frames issues
- Coordinates matters that come before the PPBC

Program Evaluation Groups (PEGs)
- Assess & validate MACOM POMs & acquisition program managers inputs
- Reconcile conflicts - unresourced requirements
- Recommend trade-offs
- Prioritize validated but unresourced requirements
- Coordinate resource adjustments
- <u>Bottom line</u>: builds an executable program for its assigned function

Major Army Commands (MACOMs)
- Assess & determine requirements
- Integrate CINCs' operational requirements
- Build "field" POMs
- Provide commander's program assessments
- Propose budget realignments

Figure A-3-14. Army Programming Activities

Refer to Figure A-3-3 on page A-3-4 to review how the Army's programming activities interact within DoD's Programming Phase of the PPBS.

Section D
U.S. Air Force

The Air Force Resource Allocation Process (RAP) functions to develop an Air Force program that achieves the defense objectives established by the National Command Authority. The RAP integrates operational requirements with projected fiscal, manpower, and material resources. The process seeks to achieve a balance between near-term readiness and long-term modernization needs.[7]

The Air Force's uses a cross-functional approach in its organization for executing the RAP. This approach allows for an open assessment process that keeps all of the participants involved throughout the process. With initial top-down guidance, the Air Force program is developed from the bottom, up through successive levels of the corporate structure. Each level is organized to maximize the effectiveness of cross-functional expertise. Figure A-3-15 shows the organization and function of the Air Force Corporate Structure (AFCS).
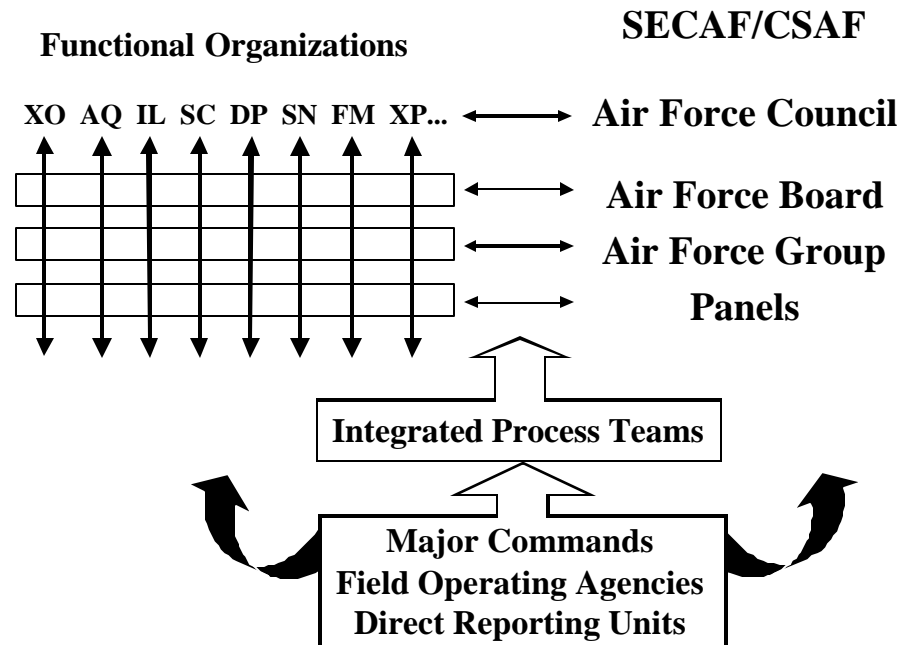
Figure A-3-15. Air Force Organization for Resource Allocation

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[7] U.S. Air Force, DCS Plans and Programs, Program Integration, *The Planning, Programming, and Budgeting System (PPBS) & The Air Force Corporate Structure (AFCS): Primer*, (Washington, DC: July 2000 http://www. xp.hq.af.mil/XPP/training/ppbsprimer/0199%20PPBS-AFCS%20Primer.doc). This Primer describes how the Air Force implements DoD's Planning, Programming, and Budgeting System. Many of the phrases and descriptions used in this section are from this source document.

Air Force Planning

The purpose of Air Force strategic planning is to integrate the programming process with the Air Force's long-range vision. To begin this effort, the Secretary of the Air Force and the Chief of Staff of the Air Force publish the Air Force Strategic Vision. The current Vision, *Global Vigilance, Reach, & Power: America's Air Force Vision 2020*[8] is based on *Joint Vision 2010* and the National Military Strategy. On the basis of the Air Force Strategic Vision, the Director of Plans develops and publishes the Air Force Strategic Plan (AFSP). This plan implements the Strategic Vision, provides strategic direction and front-end guidance to Air Force planners, and provides top-down guidance and alignment for the Major Command (MAJCOM) strategic plans. The AFSP consists of four volumes:

- Volume 1: Future Security Environments and Key Planning Assumptions

- Volume 2: Air Force Mission Performance Plan (provides near-term goals, objectives, and performance metrics)

- Volume 3: Air Force Long-Range Planning Guidance (provides planning objectives and priorities for capabilities development)

The Modernization Planning Process (MPP) executes the AFSP and functions to ensure the Air Force has the capabilities necessary to accomplish its mission over the next 25 years. The MPP uses a "strategy-to-task-to-need-to-solution-to-technology" approach. The output of the process shapes investments and guides changes to doctrine, tactics, training, and procedures.

The Annual Planning and Programming Guidance (APPG) bridges the strategic plan to the Air Force program. The APPG provides focus for near and midterm planning and programming efforts and long-term program development. The APPG includes both general and specific guidance that directly affects the next POM.

The general aspects of Air Force planning are illustrated in Figure A-3-16.

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[8] www.af.mil/vision/vision.dpf

National Security Strategy

OSD (PPBS) — Studies, Net Assessments, Quadrennial Defense Review

JSPS — Joint Net Assessment, JSR/JWCA, Joint Experimentation

CINC Planning — Assessments, Exercises

Air Force Planning — Studies, Assessments, Experimentation

PROGRAMMING

Vision, Defense Strategy (QDR Report)

Joint Vision

Vision

Air Force Strategic Vision

National Military Strategy (NMS)

Contingency Planning Guidance (CPG)

Air Force Strategic Plan (AFSP)

Joint Strategic Capabilities Plan (JSCP)

Operational Plans & Theater Engagement Plans (TEPs)

Fiscal Guidance

Joint Planning Document (JPD)

Integrated Priority Lists (IPLs)

Chairman's Program Recommendation (CPR)

Defense Planning Guidance (DPG)

Annual Planning & Programming Guidance (APPG)

Figure A-3-16. Air Force Planning Activities

Air Force Programming

The programming phase begins with the development of the APPG. The Air Force continues to use its Air Force Corporate Structure (AFCS) to match available resources with validated requirements to achieve a balanced program.

Based on guidance generated in the planning phase, the Air Force Total Obligation Authority (TOA) is divided among the Major Commands, Field Operating Agencies, and Direct Reporting Units. This gives each major organization more say in the programming phase and allows them to adjust their programs as long as their top-line budget doesn't exceed their fiscal limitation. The Integrated Product Teams (IPTs) assess these budgets, bringing a multifunctional, cross-staff perspective to bear on the issues and recommendations.

The IPTs forward their recommendations and unresolved issues to the appropriate Mission or Mission Support Panel. There are five Mission Panels (Air Superiority, Global Attack, Global Mobility, Space Superiority, and Information Superiority) and nine Mission Support Panels. These Panels serve as the initial point of entry into the corporate review process. They continue to develop program issues with a focus on their respective mission or mission support areas. The Panels develop options for presentation to the Air Force Group (AFG).

The AFG (chaired by the Deputy Director of Programs) exercises oversight and provides guidance to the Panels and IPTs. It reviews the issues and recommendation presented by the IPTs

and Panels, develops the overall integrated Air Force program, and provides more senior-level resolution of program issues prior to review by the Air Force Board (AFB).

The AFB directs the focus of the AFG in resolving issues and provides general officer-level oversight of programming activities. The Director of Programs chairs the AFB and coordinates the refinement of the integrated programs for submission to the Air Force Council (AFC).

The AFC (chaired by Vice Chief of Staff of the Air Force) is the final forum in the corporate structure. After final review and resolution of remaining issues, the AFC makes its recommendations to the Secretary and Chief of Staff of the Air Force. Once the program is approved, the Air Force POM is submitted for OSD review. Refer to Figure A-3-3 on page A-3-4 to review how the Air Force programming activities interact within DoD's Programming Phase of the PPBS.

Section E
U.S. Special Operations Command

The U. S. Special Operations Command is unique among unified CINCs because it has authority to build a POM for programs contained in MFP-11, the Special Operations Forces Major Force Program. In addition, its components can submit input for service-common support items as input to their respective service POMs.

SOCOM Planning
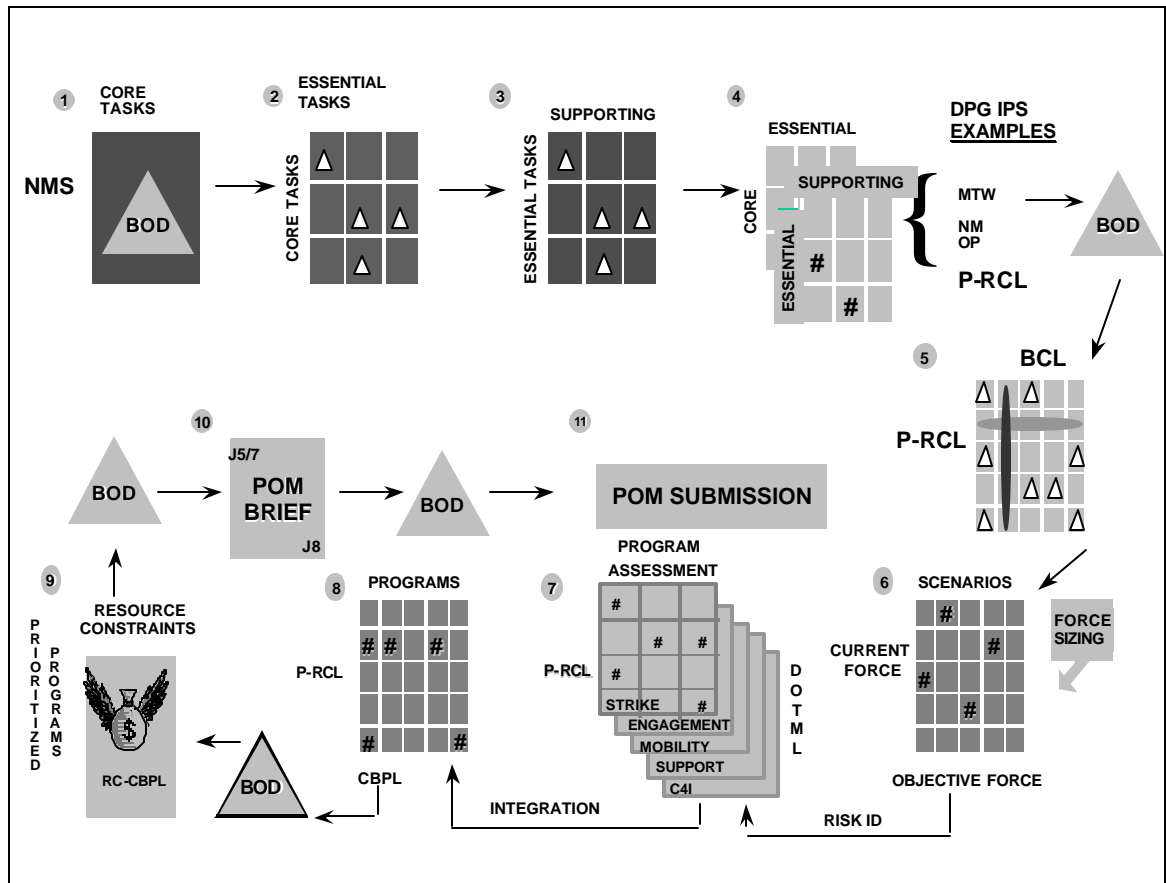
Figure A-3-17 SOCOM Strategic Planning Process (SPP)

The SOCOM Strategic Planning Process (SPP) employs a strategy-to-task assessment model (see Figure A-3-17) to provide the analytical underpinning for program prioritization and resourcing. It draws on the law, NSS, NMS, JSPS, DPG, intelligence threat, strategic environment, technological advances, current programs and lessons learned to define capability requirements. The final result is the Strategic Planning Guidance (SPG). The entire process is overseen by the

USSOCOM Board of Directors (BOD), made up of the CINC, Assistant Secretary of Defense for Special Operations/Low Intensity Conflict, JSOC Commander, and the service component heads.

The starting point for developing the SPG is the Baseline Capabilities List (BCL), and the core tasks of strike, engagement, mobility, C4I, and support. The BCL reflects the capabilities in terms of the tasks SOF can execute as of the year prior to the first year of the POM. The core tasks are linked to, and prioritized in accordance with, the NMS by the BOD. In addition, a Required Capabilities List (RCL) is derived from various inputs including CINC requirements and MAAs.

With the arrival of the Illustrative Planning Scenarios of the DPG, SOCOM starts analytical efforts to derive SOP-specific missions and tasks, and produces SOF-specific IPSs. These facilitate MAAs to determine requirements or deficiencies. Next, a series of seminars use these results to update the RCL. With approval of the SPG by the BOD, Assessment Directors (AD) conduct capabilities assessments to produce a prioritized RCL (P-RCL). There is an AD for each of SOCOM's core tasks. After the BOD prioritizes and establishes direct relationships between core tasks and the components of the NMS, ADs work on essential and supporting tasks with a direct link to the NMS as well, and weigh each according to the strength of this relationship (Fig A-3-17, steps 1-4). With approval of the P-RCL by the BOD, planning moves into the program assessment phase.

(Fig. A-3-17, steps 5-8). Using the P-RCL, ADs determine the optimal force structure, identify imbalances within functional areas, and develop DOTML solution sets within a wide range of constraints. Program assessments result in a recommended Objective Force and a prioritized list of all MFP-11 programs called the Capability Based Program List (CBPL).

The first step in this process is to compare the BCL (what the SOF can do now) to the P-RCL (what it would need to do to carry out all core tasks). This leads to an initial force proposal that simultaneously allows the accomplishment of all missions in all scenarios, with minimum risk or constraints. This is the Risk Evaluation Force (REF). ADs then apply constraints and conduct comparative, trade-off, and risk analysis to produce the Objective Force. After identifying the Objective Force, each AD compares all programs within their assessment area to the P-RCL to determine if a direct relationship exists. With relationships verified, the ADs assess the relative importance of the program to the required capability and assign a numerical value of 9/3/1/0. The aggregate of these values establishes a relative priority for each program within the assessment area. All are mathematically combined to produce the CBPL. Figure A-3-18 below shows the evolution of the Program Force.

FORCE DEVELOPMENT

RISK EVALUATION FORCE
- **BASED UPON DPG SCENARIO ANALYSIS AND THEATER INPUT**
- **REASONABLE ASSURANCE OF SUCCESS**
- **UNCONSTRAINED - NO RISK**
- **FULLY STRUCTURED & SUPPORTED**
- **BENCHMARK FOR ASSESSING PROGRAM FORCE RISK**

DPG SCENARIOS

RISK EVALUATION FORCE

OBJECTIVE FORCE

OBJECTIVE FORCE
- **BASED UPON ANALYSIS OF MISSIONS AND OPERATIONAL MANEUVER**
- **ASSUMES SOME RISK**
- **RELATIVELY UNCONSTRAINED**
- **REASONABLY STRUCTURED AND SUPPORTED**
- **REASONABLY ATTAINABLE**
- **STARTING POINT FOR PROGRAM FORCE**

INCREASED RISK DECREASED CAPABILITY

PROGRAM FORCE

- **BASED ON THE OBJECTIVE FORCE**
- **RESPONSIVE TO OSD SIZING AND STRUCTURING**
- **RESOURCE CONSTRAINED BASED ON OSD PROJECTIONS**

Figure A-3-18 Evolution of the Program Force

Programming

With the arrival of OSD fiscal guidance, resource constraints are applied to produce a BOD-approved Resource Constrained Capability Based Program List (RC-CBPL), the Program Force, and the MFP-11 POM. This must be coordinated with the services, as SOCOM can only program for special operations-unique capabilities, and must rely on service support for manpower, platforms, and interoperability support, to name a few. This process occurs simultaneously with many of the planning activities described above.

Appendix 4
Glossary of Terms and Acronyms

Terms

The terms defined below are those used in this textbook. You can find additional terms in the Department of Defense Dictionary of Military Terms at http://www.dtic.mil/ doctrine/jel/doddict.

Advanced Concept Technology Demonstration (ACTD). A demonstration of mature technology designed to bring technologists and operators together early in system development. ACTDs have three principle objectives: to gain an operator's understanding and evaluation of the military utility of new technology applications before committing to acquisition; to develop corresponding operational concepts and doctrine that take full advantage of the new capability; and to leave new, residual capabilities with combatant forces.

Agency. Many people use this term very loosely. Properly, it refers to a department, commission, board, or other independent office in the Executive Branch of the government. However, budget personnel use it when talking about subordinate organizations that have the responsibility for actual operations and the administration of funds. They speak of this as an "operating" agency.

Allocation. In budgeting, an official piece of paper issued by service headquarters to a major command or other operating agency. It is a funding document and represents cash that you can commit and obligate.

Allotment. In budgeting, this is similar to an allocation except that it is issued by a major command or operating agency to its subordinate units.

Apportionment. This term has different meanings depending on the context in which used.

In budgeting, apportionment is the regulation of the rate at which appropriated funds can be spent. The apportionment process is intended to spread out spending so that additional appropriation will not be required. Apportionment is the distribution by the Office of Management and Budget of amounts available for obligation. Apportionments are legally binding . . . spending above the amount apportioned is cause for pressing legal charges.

In the Joint Operation Planning and Execution System, the apportionment is resources made available to the commander of a unified or specified command for deliberate planning. Apportioned resources are used in the development of operation plans and may be more or less than those allocated for execution planning or actual execution.

Appropriated Funds. This is obligational authority made available by an Act of Congress (appropriation) and distributed for use through the "apportionment-allocation" procedure.

Appropriation Act. An Act of Congress that permits a department or other governmental agency to obligate the U.S. Government to pay money for goods or services. By itself, the appropriation does not cost the taxpayer a cent. Actually, the appropriation constitutes a hunting license for the department to obtain an apportionment (see definition above), i.e., the administrative authority for the department to enter into contracts or otherwise obligate the government. The Treasury raises the money to meet expenditures, and expenditures take place only after there has been performance against an obligation. These are important distinctions. Appropriations may last for different periods of time.

Appropriation Language. The published text of an appropriation act (Public Law) in which Congress spells out the dollar amounts authorized and the purposes for which those funds can be used.

Authorization Act. An act of Congress that establishes or continues the operation of a federal program or agency either for a specified period of time or indefinitely; specifies its general goals and conduct; and usually sets a ceiling on the amount of budget authority that can be provided in an appropriation. An authorization for an agency or program is usually required before an appropriation for that same agency or program can be passed.

Authorization Committee. A standing committee of the House or Senate with legislative jurisdiction over the subject matter of those laws that establish or continue the operation of federal programs or agencies.

Balanced Budget. A budget in which receipts are equal to or greater than outlays. (See also Budget Deficit; Budget Surplus.)

Ballistic Missile Defense Organization: The Ballistic Missile Defense Organization (BMDO), under the authority, direction, and control of the Under Secretary of Defense (Acquisition and Technology), is responsible for managing and directing DoD's Ballistic Missile Defense acquisition programs, which include theater missile defense and a national missile defense for the United States. BMDO also is responsible for the continuing research and development of follow-on technologies that are relevant for long-term ballistic missile defense. These programs will build a technical foundation for evolutionary growth in future ballistic missile defenses. In developing these acquisition and technology programs, BMDO utilizes the services of the Military Departments, the Department of Energy, private industries, and educational and research institutions.

Budget. A planned program for a fiscal period of estimated costs, obligations, and expenditures.

Budgeting. The process of translating personnel and technical resource requirements into time-phased financial resources.

Budget Activity. A function or activity funded under an appropriation category.

Budget Authority. Authority provided by law to enter into obligations that will result in immediate or future outlays involving federal government funds, except that budget authority does not include authority to ensure or guarantee the repayment of indebtedness incurred by another person or government. The basic forms of budget authority are appropriations, authority to borrow, and contract authority. Budget authority may be classified by the period of availability

(1 year, multiple-year, no-year), by the timing of Congressional action (current or permanent), or by the manner of determining the amount available (definite or indefinite).

Budget Authorization (BA). A document representing an approved annual financial plan. This paper shows the amount of funds you may plan on using to accomplish your job. It does not authorize you to commit or obligate the government unless it is accompanied by an allocation.

Budget Costs. Costing used in budget submissions as distinguished from costing used in programming documents, which are referred to as programming costs. Budget costs represent the specific Total Obligational Authority requirements for funds in a particular fiscal period and generally represent a refinement of programming costs.

Budget Cycle. That period of time necessary to formulate, review, present, and secure approval of the fiscal program for a specific ensuing period of time.

Budget Deficit. The amount by which budget outlays exceed budget receipts for a given fiscal year. (See also Balanced Budget; Budget Surplus.)

Budget Estimate Submissions (BESs). Budget estimates prepared and submitted by DoD components (services and defense agencies) and USSOCOM to the Secretary of Defense based on the program as approved by the Program Decision Memoranda, economic assumptions, pay and pricing policies, and Congressional adjustments. These estimates are consolidated into the defense budget and reviewed by OSD and the Office of Management and Budget to ensure consistency with fiscal guidance.

Budget Surplus. The amount by which budget receipts exceed budget outlays for a given budget/fiscal year. (See also Balanced Budget; Budget Deficit.)

Budget Year. This is the fiscal year covered by the budget estimate you are submitting. The term budget year refers to that 12-month period, beginning each 1 October and ending 30 September of the following calendar year, used by the federal government for accounting purposes. It is frequently referred to by the letters BY. Similar fiscal year references are CY-- current year, FY--fiscal year, and PY--past year.

Chairman's Guidance (CG). The CG furnishes guidance to the Joint Staff and information to the Secretary of Defense, the commanders of the combatant commands, and the other members of the Joint Chiefs of Staff regarding the framework for building the Joint Vision, the National Military Strategy, and for delineating priorities in the Joint Planning Document. It can be issued as a part of the Joint Strategy Review (JSR) Annual Report, or published at any time during the JSR process and not just as a result of the Annual Report.

Chairman's Program Assessment (CPA). The CPA assists the Chairman of the Joint Chiefs of Staff in fulfilling his responsibility to advise the Secretary of Defense on how well the Program Objective Memoranda (POMs) conform to established priorities. The CPA summarizes the views of the Chairman on the balance and capabilities of the POM force and the support levels required attaining U.S. national security objectives.

Chairman's Program Recommendation (CPR). The Chairman's personal memorandum containing recommendations for Secretary of Defense consideration as the Defense Planning Guidance is being completed.

Chairman's Readiness System (CRS). Provides the CJCS the information necessary to fulfill his Title 10 requirements to keep the Secretary of Defense and Congress informed of force capabilities and deficiencies. This comprehensive system provides uniform policy and procedures for reporting the ability of the U.S. military to fight and to meet the demands of the National Military Strategy. The CRS is designed to assess both unit and joint readiness.

Commitment. An accounting procedure in which funds are administratively earmarked for something to be bought in the near future. This procedure precedes obligation action and is normally based on firm procurement directives, requisitions, or orders.

Concurrent Budget Resolution. A resolution passed by both houses of Congress, but not requiring the signature of the President, setting forth, reaffirming, or revising the Congressional budget for the U.S. Government for a fiscal year.

Conference Action. Function of members of both the House of Representatives and the Senate in joint session, to reconcile their differences so that a single bill can be recommended that will gain the approval of both houses of Congress.

Congressional Budget. The budget as set forth by Congress in a concurrent resolution on the budget. By law the resolution includes:

- The appropriate level of total budget outlays and of total new budget authority;

- An estimate of budget outlays and new budget authority for each major functional category, for undistributed intergovernmental transactions, and for such other matters relating to the budget as may be appropriate to carry out the purposes of the 1974 Congressional Budget and Impoundment Control Act;

- The amount, if any, of the surplus or deficit in the budget;

- The recommended level of federal receipts; and

- The appropriate level of the public debt.

Constant Dollars. The dollar value of goods and services adjusted for inflation. Constant dollars are determined by dividing current dollars by an appropriate price index, a process generally known as "deflating." Constant dollars are used to discount increases or decreases in prices when comparing transactions over a period of time. (See Current Dollars.)

Contingency Planning Guidance (CPG). A document issued annually by the Secretary of Defense. The CPG contains the SecDef's guidance on developing theater engagement plans, to include prioritized regional objectives. The CPG also contains guidance with regard to contingency planning. The content of the CPG is reflected in the Joint Strategic Capabilities Plan that provides specific tasking to the CINCs, services, and defense agencies for accomplishing the direction contained in the CPG.

Continuing Resolution. Legislation enacted by Congress to provide budget authority for federal agencies and/or specific activities to continue in operation until the regular appropriations are enacted. Continuing resolutions are enacted when action on appropriations is not completed by the beginning of a fiscal year. The continuing resolution usually specifies a maximum rate at

which the obligations may be incurred, based on the rate of the prior year, the President's budget request, or an appropriation bill passed by either or both houses of the Congress.

Coordinating Authority (CA). A Joint Staff director assigned responsibility for coordinating specific Joint Vision functions or activities. Designation as a CA grants authority to require consultation, but not to compel agreement. CAs refer unresolved matters to the CJCS.

Cost-Effectiveness Analysis. An analytical technique used to choose the most efficient method for achieving a program or policy goal. The costs of alternatives are measured by their requisite estimated dollar expenditures. Effectiveness is defined by the degree of goal attainment, and may also (but not necessarily) be measured in dollars. Either the net effectiveness (effectiveness minus costs) or the cost-effectiveness ratios of alternatives are compared. The most cost-effective method chosen may involve one or more alternatives.

The limited view of costs and effectiveness distinguishes this technique from cost-benefit analysis, which encompasses society-wide impacts of alternatives.

Crisis Action Planning. The Joint Operation Planning and Execution System activity involving the time-sensitive development of plans and orders in response to an imminent crisis. Crisis action planning follows prescribed crisis action procedures to formulate and implement an effective response within the timeframe permitted by the crisis. Also call CAP.

Crosswalk. Any procedure for expressing the relationship between budgetary data from one set of classifications to another. Typical crosswalks are (1) between appropriation accounts and authorizing legislation, (2) between the budget functional structure and the Congressional committee spending jurisdictions, and (3) between DoD programs and Congressional appropriations.

Current Dollar. The dollar value of a good or service in terms of prices current at the time the good or service was sold. This is in contrast to the value of the good or service in constant dollars.

Debt, Federal. There are three basic tabulations of federal debt: gross federal debt, debt held by the public, and debts subject to statutory limit.

- Gross Federal Debt. Consists of public debt and agency debt, and includes all public and agency debt issues outstanding.

- Public Debt. That portion of the federal debt incurred when the Treasury or the Federal Financing Bank (FFB) borrows funds directly from the public or another fund or account. To avoid double counting, FFB borrowing from the Treasury is not included in the public debt. (The Treasury borrowing required to obtain the money to lend to the FFB is already part of the public debt.)

- Agency Debt. That portion of the federal debt incurred when a federal agency, other than the Treasury or FFB is authorized by law to borrow funds directly from the public or another fund or account. To avoid double counting, agency borrowing from Treasury or the FFB and federal fund advances to trust funds are not included in the federal debt. (The Treasury or FFB borrowing required to obtain the money to lend to the agency is already part of the public debt.) Agency debt may be incurred by agencies within the

federal budget (such as the Tennessee Valley Authority) or by off-budget federal entities (such as the Postal Service). Debt of government-sponsored, privately-owned enterprises (such as the Federal National Mortgage Association) is not included in the federal debt.

- <u>Debt Held by the Public</u>. Part of the gross federal debt held by the public. (The Federal Reserve System is included in "the public" for this purpose.) Debt held by government trust funds (e.g., Social Security Trust Fund), revolving funds, and off-budget federal entities is excluded from debt held by the public.

- <u>Debt Subject to Statutory Limit</u>. As defined by the Second Liberty Bond Act of 1917, as amended, it currently includes virtually all public debt. However, only a small portion of agency debts is included in this tabulation of federal debt.

<u>Defense Advanced Research Projects Agency</u>: The Defense Advanced Research Projects Agency (DARPA), under the authority, direction, and control of the Director for Defense Research and Engineering, serves as the central research and development organization of the DoD with a primary responsibility to maintain U.S. technological superiority over potential adversaries. The DARPA pursues imaginative and innovative research and development projects offering significant military utility; manages and directs the conduct of basic and applied research and development that exploits scientific breakthroughs and demonstrates the feasibility of revolutionary approaches for improved cost and performance of advanced technology; and, stimulates a greater emphasis on prototyping in defense systems by conducting prototype projects that embody technology that might be incorporated in joint programs, programs in support of deployed U.S. Forces (including the Unified Combatant Commands), or selected Military Department programs, and on request, assist the Military Departments in their own prototyping programs.

<u>Defense Commissary Agency</u>: The Defense Commissary Agency (DeCA), under the authority, direction, and control of the Assistant Secretary of Defense (Force Management Policy) is responsible for providing an efficient and effective worldwide system of commissaries for the resale of groceries and household supplies at the lowest practical price (consistent with quality) to members of the Military Services, their families, and other authorized patrons, while maintaining high standards for quality, facilities, products, and service.

<u>Defense Contract Audit Agency</u>: The Defense Contract Audit Agency (DCAA), under the authority, direction, and control of the Under Secretary of Defense (Comptroller), is responsible for performing all contract audits for the Department of Defense, and providing accounting and financial advisory services regarding contracts and subcontracts to all DoD Components responsible for procurement and contract administration. These services are provided in connection with negotiation, administration, and settlement of contracts and subcontracts. DCAA also provides contract audit services to other Government agencies, as appropriate. Agencies.

<u>Defense Finance and Accounting Service</u>: The Defense Finance and Accounting Service (DFAS), under the authority, direction, and control of the Under Secretary of Defense (Comptroller), is

responsible for standardizing financial and accounting information that will be accurate, comprehensive, and timely. To accomplish this, the Director, DFAS shall direct finance and accounting requirements, systems, and functions for all appropriated, nonappropriated, working capital, revolving, and trust fund activities, including security assistance; establish and enforce requirements, principles, standards, systems, procedures, and practices necessary to comply with finance and accounting statutory and regulatory requirements applicable to the DoD; provide finance and accounting services for DoD Components and other Federal activities, as designated by the Under Secretary of Defense (Comptroller); and, direct the consolidation, standardization, and integration of finance and accounting requirements, functions, procedures, operations, and systems within the DoD and ensure their proper relationship with other DoD functional areas (e.g., budget, personnel, logistics, acquisition, civil engineering, etc.).

Defense Information Systems Agency: The Defense Information Systems Agency (DISA) is a Combat Support Agency of the Department of Defense (DoD) under the authority, direction, and control of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence). DISA is responsible for planning, developing and supporting command, control, communications (C3) and information systems that serve the needs of the National Command Authorities (NCA) under all conditions of peace and war. It provides guidance and support on technical and operational C3 and information systems issues affecting the Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff, the Unified Combatant Commands, and the Defense Agencies. It ensures the interoperability of the Worldwide Military Command and Control System (WWMCCS), the Defense Communications System (DCS), theater and tactical command and control systems, NATO and/or allied C3 Systems, and those national and/or international commercial systems that effect the DISA mission. It supports national security emergency preparedness (NSEP) telecommunications functions of the National Communications System (NCS) as prescribed by Executive Order 12472, Assignment of National Security and Emergency Preparedness Telecommunications Functions, April 3, 1984.

Defense Intelligence Agency: The Defense Intelligence Agency (DIA) is a Combat Support Agency of the Department of Defense (DoD) under the authority, direction, and control of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence). Under its Director, DIA shall collect, produce, or, through tasking and coordination, provide military and military-related intelligence for the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, other Defense components, and, as appropriate, non-Defense agencies; collect and provide military intelligence for national foreign intelligence and counterintelligence products; coordinate all DoD intelligence collection requirements; manage the Defense Attaché system; provide foreign intelligence and counterintelligence staff support to the Chairman of the Joint Chiefs of Staff; and, manage the General Defense Intelligence Program.

Defense Legal Services Agency: The Defense Legal Services Agency (DLSA), under the authority, direction, and control of its Director, who also serves as the General Counsel of the Department of Defense, provides legal advice and services for the Defense Agencies, DoD Field Activities, and other assigned organizations. This includes technical support and

assistance for development of the DoD Legislative Program; coordinating DoD positions on legislation and Presidential Executive Orders; providing a centralized legislative document reference and distribution point for the DoD; maintaining the Department's historical legislative files; developing DoD policy for standards of conduct and administering the Standards of Conduct Program for the OSD and other assigned organizations; and administering the Defense Industrial Security Clearance Review Program.

Defense Logistics Agency: The Defense Logistics Agency (DLA), is a Combat Support Agency of the Department of Defense (DoD) under the authority, direction, and control of the Under Secretary of Defense (Acquisition and Technology). DLA provides worldwide logistics support for the missions of the Military Departments and the Unified Combatant Commands under conditions of peace and war. Also provides logistics support to other DoD Components and certain Federal agencies, foreign governments, international organizations, and others as authorized. Provides materiel commodities and items of supply that have been determined, through the application of approved criteria, to be appropriate for integrated management by DLA on behalf of all DoD Components, or that have been otherwise specifically assigned by appropriate authority. Furnishes logistics services directly associated with the supply management function and other support services including scientific and technical information, federal cataloging, industrial plant equipment, reutilization and marketing and systems analysis, design, procedural development and maintenance for supply and service systems, industrial plant equipment storage and issuance, DLA logistics systems development, and the National Defense Stockpile Program. Maintains a wholesale distribution system for assigned items. Provides contract administration service in support of the Military Departments, other DoD Components, Federal civil agencies and, when authorized, to foreign governments and others.

Defense Planning Guidance (DPG). A key planning document of the Planning, Programming, and Budgeting System issued by the Secretary of Defense after consulting with the Joint Chiefs of Staff, services and combatant commanders. It provides threat assessment, policy, strategy, force planning, and fiscal guidance to all DoD organizations. The DPG is the "big picture" for military planners.

Defense Resources Board (DRB). The primary forum to provide the Deputy Secretary of Defense the opportunity to receive advice and recommendations of senior advisors on planning, programming, and budgeting matters and to develop stronger links among national security policy, military strategy, and the resources allocated to specific forces and programs.

Defense Security Cooperation Agency: The Defense Security Cooperation Agency (DSCA) provides timely and effective direction, supervision, and oversight of security cooperation programs in support of U.S. national security and foreign policy objectives; and promotes stable security relationships with friends and allies through Military Assistance.

Defense Security Service: The Defense Security Service (DSS) provides security services to the Department of Defense (DoD) and is under the direction, authority, and control of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence). DSS conducts all Personnel Security Investigations (PSI's) for DoD Components and, when

appropriate, also conducts PSI's for other U.S. Government activities. These PSI's include investigation of allegations of subversive affiliations, adverse suitability information, or any other situation that requires resolution to complete the PSI. DIS is also responsible for the four major programs involving industrial security: the Defense Industrial Security Program; the Key Assets Protection Program; the Inspection Program for Contractors with conventional arms, ammunition and explosives, and the Certification Program for Contractors with very high speed integrated circuits. Formerly known as the Defense Investigative Service (DIS), DoD Reform Initiative #2 redesignated DIS as the Defense Security Service (DSS) in November 1997 in recognition of its broader mission and functions. This directive included the integration of the DoD Polygraph Institute into the organizational structure of DSS.

Defense Threat Reduction Agency: The Defense Threat Reduction Agency (DTRA) safeguards the United States and its friends from weapons of mass destruction by reducing the present threat and preparing for the future threat.

Deferral. A type of impoundment, a deferral is an action of the President that temporarily withholds, delays, or precludes the obligation or expenditure of budget authority. A deferral must be reported by the President to Congress in a deferral message. The deferral can be overturned if either house passes a resolution disapproving it. A deferral may not extend beyond the end of the fiscal year in which the message reporting it is transmitted to Congress.

Deliberate Planning. Operation planning as a result of Joint Strategic Capabilities Plan or other tasking directive using the Joint Operation Planning and Execution System.

Desired Operational Capability (DOC). A concept-based statement of the ways and means to satisfy a Joint Force Commander's capability requirement. A fully articulated DOC identifies subordinate tasks, associated conditions, and criteria for measurement.

Economic Assumption. Estimates of how the national economy will behave. The four main economic assumptions that affect the budget are unemployment, inflation, interest rates, and growth in the gross domestic product.

Entitlement. Legislation that requires the payment of benefits to all who meet the eligibility requirements established in the law. Examples of entitlement programs are Social Security, Medicare, and veteran's pensions.

Expenditure. Another accounting term, but when you have actually paid out your money for services or items received you have made one.

Experimentation. An iterative approach involving the discipline of scientific method that includes rigorous management of controls and variables to provide quantifiable, repeatable results. Experiments are part of the assessment process.

Fiscal Guidance. Annual guidance issued by the Secretary of Defense that outlines the fiscal constraints that must be observed by the Joint Chiefs of Staff, the Military Departments, and DoD agencies, in the formulation of force structures and the Future-Years Defense Program, and by the Secretary of Defense staff in reviewing proposed programs.

Fiscal Year. The 12-month period that, for the federal government begins on 1 October of one year and ends on 30 September of the next.

Future-Years Defense Program (FYDP). The official program that summarizes the Secretary of Defense approved plans and programs for DoD. The FYDP is published at least once annually. The FYDP is also represented by a computer database that is updated regularly to reflect decisions.

Gross Domestic Product (GDP). The value of all final goods and services produced within the borders of the United States in a given period of time, whether produced by residents or nonresidents.

Gross National Product (GNP). The total of incomes earned by residents of a country, regardless of where the assets are located. For example, the U.S. GNP includes profits from United States owned businesses located in other countries.

Head of Component. Service Secretaries or Directors of DoD agencies.

Impoundment. An action by the President that prevents the obligation or expenditure of budget authority. Deferrals and rescissions are the two types of Presidential impoundments.

Inflation. A persistent rise in the general price level that results in a decline in the purchasing power of money.

Integrated Priority List (IPL). A list of a combatant commander's highest priority requirements, prioritized across service and functional lines, defining shortfalls in key programs that adversely affect the capability of the commander's forces to accomplish assigned missions. The IPL provides the combatant commander's recommendations for programming funds in the Planning, Programming, and Budgeting System.

Joint Monthly Readiness Review (JMRR). The central component of the Chairman's Readiness System and provides the CJCS a current and broad assessment of the military's readiness to fight across all three levels of war (strategic, operational, and tactical).

Joint Operation Planning and Execution System (JOPES). Supports integrated planning command and control of mobilization, deployment, employment, and sustainment activities using a standardized information system.

Joint Planning Document (JPD). A stand-alone document that supports the National Military Strategy by providing concise programming priorities, requirements, or advice to the Secretary of Defense for consideration during the preparation of the Defense Planning Guidance.

Joint Requirements Oversight Council (JROC). A CJCS advisory body that identifies, assesses, and prioritizes joint military requirements and acquisition programs to meet the National Military Strategy. The JROC considers alternatives to acquisition programs that have been identified to meet military requirements, and assigns joint priority to major programs that meet valid requirements identified by the combatant commands, services, and other DoD agencies.

Joint Requirements Board (JRB). A body of general and flag officers established to assist in carrying out JROC duties and responsibilities.

Joint Resolution. A joint resolution requires the approval of both houses of Congress and the signature of the President, just as a bill does, and has the force of law if approved. There is no real difference between a bill and a joint resolution. The latter is generally used in dealing with limited matters, such as a single appropriation for a specific purpose.

Joint resolutions also are used to propose amendments to the U.S. Constitution. These do not require Presidential signature, but become a part of the Constitution when three-fourths of the states have ratified them.

Joint Staff. 1) The staff of a commander of a combatant command, or of a joint task force, which includes members from the several services comprising the force. 2) The Joint Staff is the staff under the Chairman of the Joint Chiefs of Staff as provided for in the National Security Act of 1947, as amended by the DoD Reorganization Act of 1986. The Joint Staff assists the Chairman and, subject to the authority, direction, and control of the Chairman, the other members of the Joint Chiefs of Staff and the Vice Chairman in carrying out their responsibilities.

Joint Strategic Capabilities Plan (JSCP). An element of Joint Strategic Planning System, the JSCP furnishes guidance to the commander of the combatant commands (CINCs) and the Chiefs of Services to accomplish tasks and missions based on current military capabilities. It apportions resources to CINCs, based on military capabilities resulting from completed program and budget actions. The JSCP offers a coherent framework for capabilities-based military advice to the National Command Authority.

Joint Strategic Planning System (JSPS). The primary means by which the Chairman of the Joint Chiefs of Staff, in consultation with the other members of the Joint Chiefs of Staff and the commanders of the combatant commands, carries out statutory responsibilities to assist the President and Secretary of Defense in providing strategic direction to the armed forces; advises the President and Secretary of Defense on requirements, programs, and budgets; and assesses the capabilities of the armed forces of the United States and its allies as compared with those of their potential adversaries.

Joint Strategy Review (JSR). An element of Joint Strategic Planning System, the JSR assesses the strategic environment for issues and factors that affect the National Security Strategy in the near-term or the long-range. It is a process that continuously gathers information; examines current, emerging, and future issues, threats, technologies, organizations, doctrinal concepts, force structures, and military missions; and reviews and assesses current strategy, forces, and national policy objectives. The JSR facilitates the integration of strategy, operation planning, and program assessment.

Joint Warfighting Capabilities Assessment (JWCA). An annual, cyclic process of appraising joint warfighting capabilities and requirements for the Joint Requirements Oversight Council. Assessments yield recommendations for JROC consideration. Recommendations once vetted with the CINCs are forwarded to the CJCS for consideration for inclusion in the Chairman's Program Recommendation and the Chairman's Program Assessment (both are the Chairman's personal correspondences to the Secretary of Defense).

Major Budget Issues (MBI). After review of tentative budget decisions, these are issues identified by the DoD components that are serious enough to warrant a major issue meeting with the Secretary of Defense. Subsequently, MBI decisions are announced in changes to the Program Budget Decisions.

Major Force Program (MFP). See Program.

National Command Authorities (NCA). The President and the Secretary of Defense or their duly deputized alternates or successors.

National Imagery And Mapping Agency: The National Imagery and Mapping Agency (NIMA) is a Combat Support Agency of the Department of Defense under the authority, direction, and control of the Secretary of Defense and the overall supervision of the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD[C3I]). The mission of the NIMA is to provide timely, relevant, and accurate imagery, imagery intelligence, and geospatial information in support of the national security objectives of the United States. The NIMA carries out this responsibility by advising the Secretary and Deputy Secretary of Defense, the ASD(C3I), the Chairman of the Joint Chiefs of Staff, the Combatant Commanders, and, for national intelligence purposes, the Director of Central Intelligence and other Federal Government officials, on imagery, imagery intelligence, and geospatial information; and by supporting the imagery, imagery intelligence, and geospatial requirements of the Departments and Agencies of the Federal Government, to the extent provided by law.

National Military Strategy (NMS). The NMS furnishes the advice of the Chairman of the Joint Chiefs of Staff, in consultation with the other members of the Joint Chiefs of Staff and the commander of the combatant commands, to the President, the National Security Council, and the Secretary of Defense as to the recommended military strategy and fiscally-constrained force structure required to attain the national security objectives. The NMS may be used to determine the Chairman's position on matters of strategic importance for use in National Command Authority directed actions.

National Security Agency: The National Security Agency/Central Security Service (NSA/CSS), is a Combat Support Agency of the Department of Defense (DoD) under the authority, direction, and control of the Secretary of Defense, and is responsible for centralized coordination, direction, and performance of highly specialized intelligence functions in support of U.S. Government activities. NSA carries out the responsibilities of the Secretary of Defense to serve as Executive Agency for U.S. Government signals intelligence, communications security, computer security, and operations security training activities. The Central Security Service provides the Military Services a unified cryptologic organization within the Department of Defense designed to assure proper control of the planning, programming, budgeting, and expenditure of resources for cryptologic activities.

New Obligational Authority (NOA). NOA represents the additional amount Congress appropriates for an agency, over and above earlier appropriations and other funds the agency has or expects to receive from other sources. You may also hear the term obligational authority when referring to an authorization by Congress in connection with something other than a new appropriation.

Obligation. The estimate or actual amount of the cost of an authorized service or article you have ordered. This estimate is carried in official accounting records, and reserves funds pending completion of the contract. This reservation is required by public law.

Obligational Authority. The total available to an agency in a given fiscal year. Obligational authority is the sum of the budget authority newly provided in a fiscal year, the balance of budget authority from previous years that has not yet been obligated, and amounts authorized to be credited to a specific fund or account during that year, including transfers between accounts.

Outlays. Obligations are generally liquidated when checks are issued or cash disbursed. Such payments are called outlays. In lieu of issuing checks, obligations may also be liquidated (and outlays occur) by the maturing of interest coupons in the case of some bonds, or by the issuance of bonds or notes (or increases in the redemption value of bonds outstanding).

Outlays during a fiscal year may be for payment of obligations incurred in prior years (prior-year outlays) or in the same year. Outlays, therefore, flow in part from unexpended balances of prior-year budget authority and in part from budget authority provided for the year in which the money is spent.

Total budget outlays are stated net of offsetting collections, and exclude outlays of off-budget federal entities.

The terms expenditure and net disbursements are frequently used interchangeably with the term outlays.

Planning, Programming, and Budgeting System (PPBS). An integrated system for the establishment, maintenance, and revision of the Future-Years Defense Program and the DoD budget. Through this system, an attempt is made to combine policy formulation with budgetary allocation and to furnish a mechanism for analysis.

President's Budget. The proposal sent by the President to Congress each year as required by the Budget and Accounting Act of 1921, as amended.

Program. Generally defined as an organized set of activities directed toward a common purpose, or goal, undertaken or proposed by an agency in order to carry out its responsibilities. In practice, however, the term program has may uses and does not have a well-defined, standard meaning. Program is used to describe an agency's mission, programs, functions, services, projects, and processes.[4]

In pure PPBS terms, a program is an aggregation of program elements that reflects a force mission or a support function of DoD and contains the resources allocated to achieve an objective or plan. It reflects fiscal year time-phasing of mission objectives to be accomplished, and the means proposed for their accomplishment.

The Future-Years Defense Program (FYDP) is comprised of eleven major force programs as follows:

- Program 1 - Strategic Forces
- Program 2 - General Purpose Forces

- Program 3 - C3I and Space

- Program 4 - Mobility Forces

- Program 5 - Guard and Reserve Forces

- Program 6 - Research and Development

- Program 7 - Central Supply and Maintenance

- Program 8 - Training, Medical, and Other General Personnel Activities

- Program 9 - Administration and Associated Activities

- Program 10 - Support of Other Nations

- Program 11 - Special Operations Forces

The major programs of the FYDP fall within the general organizational areas of responsibility within the Office of the Secretary of Defense (OSD). However, since resources in these programs may overlap areas of management and functional responsibility, the programs are not considered to be the exclusive responsibility of any one particular organizational element of OSD. (See Program Element.)

Program Budget Decision (PBD). A Secretary of Defense decision in prescribed format authorizing changes to a submitted budget estimate and the Future-Years Defense Program.

Program Decision Memorandum (PDM). A document that contains decisions of the Secretary of Defense on the service and DoD agency Program Objective Memoranda.

Program Element. A description of a mission by the identification of the organizational entities and resources needed to perform the assigned mission. Resources consist of forces, manpower, material quantities and cost, as applicable. The program element is the basic building block of the Future-Years Defense Program. (See Program.)

Program Evaluation. In general, the process of assessing program alternatives, including research and results, and the options for meeting program objectives and future expectations. Specifically, program evaluation is the process of appraising the manner and extent to which programs:

- Achieve their stated objectives.

- Meet the performance perceptions and expectations of responsible federal officials and other interested groups.

- Produce other significant effects of either a desirable or undesirable character.

Program Objective Memorandum (POM). A memorandum in prescribed format submitted to the Secretary of Defense by a Service Secretary or Director of a DoD agency that recommends the total resource requirements within the parameters of the fiscal guidance published by the Secretary of Defense. A complex document key to the programming phase as well as the

cornerstone of the budgeting phase of PPBS. The POM funds current (ongoing) programs as well as new requirements for the future.

Program Review Group (PRG). The subordinate working group to the Defense Resources Board that prepares the agenda, papers, and briefing materials for the DRB's deliberations. Many program issues are resolved at the PRG level.

Program Year. A fiscal year in the Future-Years Defense Program that ends not earlier than the second year beyond the current calendar year. Thus, during calendar year 1999 the first program year is 2001.

Reapportionment. A revision by the Office of Management and Budget (OMB) of a previous apportionment of budgetary resources for an appropriation or fund account. Agency requests for reapportionment are usually submitted to OMB as soon as a change in previous apportionment becomes necessary due to changes in amounts available, program requirements, or cost factors. A reapportionment would ordinarily cover the same period, project, or activity covered in the original apportionment.

Reclama. This occurs when the services explain how badly they have been "stabbed" by the Office of the Secretary of Defense (OSD), the Office of Management and Budget (OMB), and sometimes, the House of Representatives or the Senate. It is actually a formal restatement and presentation of budget requirements to OSD, OMB, or the Congress in further justification of that portion of the services' requirements that the reviewing authorities have refused to buy.

Reconciliation Bill. A bill, requiring enactment by both houses of Congress and approval by the President, making changes to legislation that has been enacted or enrolled.

Reconciliation Process. A process used by Congress to reconcile amounts determined by tax, spending, and debt legislation for a given fiscal year, with the ceilings enacted in the concurrent resolution on the budget for that year.

Reconciliation Resolution. A concurrent resolution, requiring passage by both houses of Congress but not the approval of the President, directing the Clerk of the House or the Secretary of the Senate to make specified changes in bills or resolutions that have not yet reached the stage of enrollment.

Reprogramming. Utilization of funds in an appropriation account for purposes other than those contemplated at the time of appropriation.

Reprogramming is generally preceded by consultation between the federal agencies and the appropriate Congressional committees. It involves formal notification and, in some instances, opportunity for disapproval by Congressional committees.

Required Operational Capability (ROC). A desired operational capability validated through Joint Vision assessment(s) and approved by the Joint Requirements Oversight Council.

Rescission. An action by President that cancels previously appropriated budget authority. A proposed rescission must be reported to Congress and the Comptroller General by the President in a rescission message. If not approved by both houses of Congress within forty-five days, the President must obligate the Budget Authority as it was intended by Congress.

Research and Development (R&D). Research is systematic, intensive study directed toward fuller scientific knowledge or understanding of the subject studied. Development is the systematic use of the knowledge and understanding gained from research, directed toward the production of useful materials, devices, systems or methods, including the design and development of prototypes and processes.

Research and development is a broad term that embraces the work performed by federal government agencies and private individuals or organizations under contractual or grant arrangements with the government. It includes all fields of education and the social sciences, as well as the physical sciences and engineering.

Research and development excludes routine product testing, quality control, mapping, collection of general purpose statistics, experimental production, routine evaluation of an operational program, and the training of scientific and technical personnel.

Spending Authority. Defined by the Congressional Budget and Impoundment Control Act of 1974 (P.L. 93-344, 31 U.S.C. 1323): a collective designation for appropriations and borrowing, contract, and entitlement authorities for which budget authority is not provided in advance by appropriation acts. The latter three are called backdoor authority.

Supplemental Appropriations. Acts appropriating funds as an addition to the regular annual appropriation. Supplemental appropriations generally are enacted when the need for additional funds is too urgent to be postponed until the next regular appropriation is considered.

Theater Engagement Plans (TEPs). Deliberate engagement plans for all military activities involving other nations intended to shape the security environment in peacetime. A TEP is composed of the CINC's Theater Engagement Strategic Concept plus Engagement Activities Annexes.

Total Obligational Authority (TOA). The total financial requirements of the Future-Years Defense Program or any component of it required to support the approved program of a given fiscal year; i.e., a dollar value level of overall fiscal constraint, or ceiling, within which any program (service or DoD agency) must remain.

Abbreviations and Acronyms

The abbreviations and acronyms listed below are those used in the textbook. You can find additional abbreviations and acronyms in the Department of Defense Dictionary of Military Terms: http://www.dtic.mil/doctrine/jel/doddict.

ACAT	Acquisition Category
ACTD	Advanced Concept Technology Demonstration
AoA	Analysis of Alternatives
ACMC	Assistant Commandant of the Marine Corps
ADM	Acquisition Decision Memorandum
AFB	Air Force Board (Part of AFCS)
AFC	Air Force Council (Part of AFCS)
AFCS	Air Force Corporate Structure
AFG	Air Force Group (Part of AFCS)
AFSP	Air Force Strategic Plan
AIS	Automated Information System
AMP	Army Modernization Plan
APB	Acquisition Program Baseline
APDM	Amended Program Decision Memorandum
APG	Army Planning Guidance
APGM	Army Program Guidance Memorandum
APPG	Annual Planning & Programming Guidance (Air Force)
APPN	Appropriation
APS	Army Planning System
ARB	Army Resources Board
ASD	Assistant Secretary of Defense
	(C3I) Command, Control, Communications, & Intelligence
	(FMP) Force Management Policy
	(HA) Health Affairs
	(ISA) International Security Affairs
	(LA) Legislative Affairs

	(PA) Public Affairs
	(RA) Reserve Affairs
	(SO & LIC) Special Operations & Low Intensity Conflict
	(S&TR) Strategy & Threat Reduction
ASM	Acquisition Systems Management
ASN	Assistant Secretary of the Navy
ASPG	Army Strategic Planning Guidance
BA	Budget Activity or Budget Authority
BCC	Budget Classification Code
BEA	Budget Enforcement Act
BES	Budget Estimate Submission
"BLUE DOLLARS"	Navy Appropriations (CNO-Sponsored)
"BLUE IN SUPPORT	Navy Appropriations that support the USMC (medical, GREEN" aviation, etc.)
BMDO	Ballistic Missile Defense Organization
BP	Budget Project
BY	Budget Year
C3	Command, Control & Communications
C4	Command, Control, Communications & Computers
C4I	Command, Control, Communications, Computers & Intelligence
CA	Coordinating Authority
CAE	Component Acquisition Executive
CAIV	Cost as an Independent Variable
CAP	Crisis Action Planning
CBO	Congressional Budget Office
CBIC	Congressional Budget and Impoundment Control (Act of Congress - 1974)
CBR	Concurrent Budget Resolution
CBRS	Combat Based Requirements System (Marine Corps)
CDP	Combat Development Process (Marine Corps)
CEA	Council of Economic Advisors

CFJO	Concept for Future Joint Operations
CENTCOM	Central Command (Unified Command – Geographic)
CG	Chairman's Guidance
CINC	Commander-in-Chief
CIO	Chief Information Officer
CJCS	Chairman of the Joint Chiefs of Staff
CJCSI	Chairman of the Joint Chiefs of Staff Instruction
CJCSM	Chairman of the Joint Chiefs of Staff Manual
CMC	Commandant of the Marine Corps
CMD	Command
CNA	Center for Naval Analyses
CNO	Chief of Naval Operations
COEA	Cost & Operational Effectiveness Analysis (Has been renamed as Analysis of Alternatives [AoA])
CONPLAN	Operation Plan in concept format
CPA	Chairman's Program Assessment
CPAM	CNO's Program Analysis Memorandum (Navy)
CPG	Two meanings:
	Commandant's Planning Guidance (Marine Corps)
	Contingency Planning Guidance
CPR	Chairman's Program Recommendations
CRD	Capstone Requirements Document
CRS	Two meanings
	Chairman's Readiness System
	Congressional Research Service
CSA	Two meanings:
	Chief of Staff of the Army
	Combat Support Agencies
CSAF	Chief of Staff of the Air Force
CSPG	CNO's Strategic Planning Guidance (Navy)
CY	Two meanings:
	Calendar Year

Current Year

DA	Department of the Army
DAB	Defense Acquisition Board
DAE	Defense Acquisition Executive
DAF	Department of the Air Force
DARPA	Defense Advanced Research Projects Agency
DAS	Defense Acquisition System
DASD	Deputy Assistant Secretary of Defense
DCNO	Deputy Chief of Naval Operations
DeCA	Defense Commissary Agency
DEF	Defense
DepSecDef	Deputy Secretary of Defense
DCAA	Defense Contract Audit Agency
DFAS	Defense Finance & Accounting Agency
DIA	Defense Intelligence Agency
DISA	Defense Information Systems Agency
DJS	Director, Joint Staff
DLSA	Defense Legal Services Agency
DLA	Defense Logistics Agency
DOC	Desired Operational Capability
DoD	Department of Defense
DoDD	Department of Defense Directive
DoDI	Department of Defense Instruction
DoN	Department of the Navy
DoS	Department of State
DOT&E	Director, Operational Test & Evaluation
DOTMLPF	Doctrine, Organization, Training, Material, Leadership & Education, Personnel, and Facilities
DPA&E	Director, Program Analysis & Evaluation
DPG	Defense Planning Guidance
DPSB	DoN Program Strategy Board
DRB	Defense Resources Board

DRI	Defense Reform Initiative
DSAC	Defense Systems Affordability Council
DSARC	Defense Systems Acquisition Review Council (Renamed as the Defense Acquisition Board [DAB])
DSCA	Defense Security Cooperation Agency
DSS	Defense Security Service
DT&E	Development Test & Evaluation
DTRA	Defense Threat Reduction Agency
DTSE&E	Director, Test, Systems Engineering, & Evaluation
DUSD	Deputy Under Secretary of Defense
DU S&T	Dual Use Science & Technology
ESG	Executive Steering Group
EUCOM	European Command (Unified Command – Geographic)
FMF	Fleet Marine Force
FOC	Full Operational Capability
FRP	Full-Rate Production
FSD	Full Scale Development
FY	Fiscal Year
FYDP	Future-Years Defense Program
GAO	General Accounting Office
GDP	Gross Domestic Product
GNA	Goldwater-Nichols Act
GNP	Gross National Product
GRH	Gramm-Rudman-Hollings Act
"GREEN DOLLARS"	Marine Corps Appropriations (CMC-Sponsored)
HAC	House Appropriations Committee
HASC	House Armed Services Committee
HBC	House Budget Committee
HoC	Head of Component (i.e., Service Secretary or Agency Director)
HQMC	Headquarters, Marine Corps
IPT	Integrated Product Team
ILS	Integrated Logistics Support

IOC	Initial Operating Capability
IOT&E	Initial Operational Test & Evaluation
IPL	Integrated Priority List
IPPD	Integrated Product and Process Development
IPS	Illustrative Planning Scenario (Appendix to DPG)
IR3B	Integrated Requirements & Resources Review Board (Navy)
ISA	International Security Affairs
IT OIPT	Information Technology Overarching Integrated Product Team
IWAR	Integrated Warfare Architecture
J-1 (The Joint Staff)	Manpower & Personnel Directorate
J-2	Intelligence Directorate
J-3	Operations Directorate
J-4	Logistics Directorate
J-5	Strategic Plans & Policy Directorate
J-6	Command, Control, Communications, & Computer Systems Directorate
J-7	Operational Plans & Interoperability Directorate
J-8	Force Structure, Resources, and Assessment Directorate
JCS	Joint Chiefs of Staff
JFCOM	Joint Forces Command (Unified Command – Functional & Geographic)
JIMP	JV2010 Implementation Master Plan
JMA/SA	Joint Mission Assessment/Support Assessment
JMRR	Joint Monthly Readiness Review
JNA	Joint Net Assessment
JOPES	Joint Operation Planning and Execution System
JPD	Two meanings:
	Joint Planning Document
	Joint Potential Designator
JPEC	Joint Planning and Execution Community
JRB	Joint Requirements Board

JRMB	Joint Requirements Management Board (Has been renamed as the Joint Requirements Oversight Council [JROC])
JROC	Joint Requirements Oversight Council
JRP	Joint Requirements Panel
JSCP	Joint Strategic Capabilities Plan
JSPS	Joint Strategic Planning System
JSR	Joint Strategy Review
JV20xx	Joint Vision 2020 (or subsequent updates)
JWCA	Joint Warfighting Capabilities Assessment
KPP	Key Performance Parameters
LCC	Life Cycle Costing
LFT&E	Live Fire Test & Evaluation
LRIP	Low-Rate Initial Production
MAA	Mission Area Analysis
MAC	Military Airlift Command (Has been renamed as the Air Mobility Command [AMC])
MACOM	Major Army Command
MAGTF	Marine Air-Ground Task Force
MAIS	Major Automated Information System
MAJCOM	Major Command (Air Force)
MBI	Major Budget Issue
MCMP	Marine Corps Master Plan
MDA	Milestone Decision Authority
MDAP	Major Defense Acquisition Program
MDEP	Management Decision Package (Army)
MFP	Major Force Program
MILCON	Military Construction
MILPERS	Military Personnel
MNS	Mission Need Statement
MOP	Memorandum of Policy (Joint Staff. These have been replaced by CJCSIs)
MPP	Modernization Planning Process (Air Force)

MROC	Marine Requirements Oversight Council
N1 (OPNAV)	Manpower & Personnel Directorate
N2	Naval Intelligence Directorate
N3/N5	Plans, Policy & Operations Directorate
N4	Logistics Directorate
N6	Space, Information Warfare, Command & Control Directorate
N61	Information Technology Division, N6
N7	Warfare Requirements & Programs
N70	Warfare Integration & Assessment Division, N7
N71	Missile Defense Division, N7
N74	Anti-Submarine Warfare Division, N7
N75	Expeditionary Warfare Division, N7
N76	Surface Warfare Division, N7
N77	Undersea Warfare Division, N7
N78	Air Warfare Division, N7
N89	Training & Education, N7
N8	Resources, Requirements & Assessments Directorate
N80	Programming Division, N8
N81	Assessments Division, N8
N82	Fiscal Management Division, N8
N83/N81D	JROC Requirements & CINC Liaison Division, N8
N89	Special Programs Division, N8
N8QDR	Quadrennial Defense Review Division, N8
NBC	Nuclear, Biological and Chemical
NCA	National Command Authority
NDP	National Defense Panel
NIMA	National Imagery and Mapping Agency
NMS	National Military Strategy
NOA	New Obligational Authority
NSA	National Security Agency
NSC	National Security Council

NSDD	National Security Decision Directive
NSS	Two meanings:
	National Security Strategy
	National Security Study
NSSG	National Security Study Group
NWC	Naval War College
O&M	Operations & Maintenance
O&S	Operations & Support
OIPT	Overarching Integrated Product Team
OJCS	Office of the Joint Chiefs of Staff
OMB	Office of Management & Budget
OMFTS	Operational Maneuver From The Sea
OPLAN	Operation Plan in complete format
OPS	Operations
ORD	Operational Requirements Document
OSD	Office of the Secretary of Defense
OTA	Other Transactional Authority
OT&E	Operational Test & Evaluation
PACOM	Pacific Command (Unified Command – Geographic)
PA&E	Program Analysis & Evaluation
PBD	Program Budget Decision
PD	Presidential Decision
PDM	Program Decision Memorandum
PDUSD	Principal Deputy Under Secretary of Defense
PE	Program Element
PEG	Program Evaluation Group (Army & Marine Corps)
PEO	Program Executive Officer
PM	Program Manager
POM	Program Objective Memorandum
PPBC	Planning Program Budget Committee (Army)
PPBS	Planning, Programming, & Budgeting System

PPBES	Planning, Programming, Budgeting, & Execution System (Army)
PPI	POM Preparation Instructions
P&R	Personnel & Readiness
PR	Program Review
PRG	Program Review Group
PRO	Priority Regional Objectives
PWG	POM Working Group (Marine Corps)
PY	Prior Year
QDR	Quadrennial Defense Review
R&D	Research & Development
RAP	Resource Allocation Process (Air Force)
RDAP	Research, Development, & Acquisition Plan (Army)
RDT&E	Research, Development, Test & Evaluation
RGS	Requirements Generation System
SAC	Senate Appropriations Committee
S&T	Science & Technology
S&TR	Strategy & Threat Reduction
SA	Secretary of the Army
SAF	Secretary of the Air Force
SASC	Senate Armed Services Committee
SBC	Senate Budget Committee
SecDef	Secretary of Defense
SecNav	Secretary of the Navy
SOCOM	Special Operations Command (Unified Command – Functional)
SOUTHCOM	Southern Command (Unified Command – Geographic)
SPACECOM	Space Command (Unified Command – Functional)
SPP	Sponsor Program Proposal (Navy)
SRG	Senior Review Group (Army)
SROC	Senior Readiness Oversight Council
STRATCOM	Strategic Command (Unified Command – Functional)
T&E	Test & Evaluation

TAP	The Army Plan
TEMP	Test & Evaluation Master Plan
TEP	Theater Engagement Plan
TOA	Total Obligational Authority
TPOM	Tentative Program Objective Memorandum
TRANSCOM	Transportation Command (Unified Command – Functional)
UCP	Unified Command Plan
USC	United States Code
USD	Under Secretary of Defense
	(AT&L) Acquisition, Technology, & Logistics
	(C) Comptroller
	(P&R) Personnel & Readiness
	(P) Policy
USMC	U.S. Marine Corps
USecNav	Under Secretary of the Navy
VCJCS	Vice Chairman of the Joint Chiefs of Staff
VCNO	Vice Chief of Naval Operations
VCofS Army	Vice Chief of Staff of the Army
VCofS AF	Vice Chief of Staff of the Air Force
WMD	Weapons of Mass Destruction